



ICEX

Seize the right opportunity

Diamond



Steel



Black Pepper



Rubber



Cardamom



Isabgol



**Annual Report
2017-2018**

Board of Directors (as on November 1, 2018):

1. Dr. H. K. Pradhan - Chairman, Public Interest Director
2. Mr. Ajit Kumar Mittal - Shareholder Director
3. Mrs. D. Vijayalakshmi - Public Interest Director
4. Mr. J. J. Bhatt - Public Interest Director
5. Mr. Lav Chaturvedi - Shareholder Director
6. Mr. Sanjit Prasad - Managing Director & CEO

Chief Financial Officer - Mr. Ghanashyam Rao

Company Secretary - Ms. Shweta Gujar

Statutory Auditors - M/s. S M M P & Associates

Internal Auditors - M/s. N. D. Kapur & Co.

Bankers (including active clearing banks):

HDFC Bank Limited

Yes Bank Limited

Registered office:

Office No.109, 1st Floor,
Nodh No. 1158 to 63/65/9, Hat Faliyu,
Mahidharpura, Surat, Gujarat - 395003.
Email: icxsecretarial@icexindia.com
Website: www.icexindia.com
Phone: 0261 - 3009960
CIN: U67120GJ2008PLC099142

Corporate Office:

Reliable Tech Park, 403-A, B-Wing,
4th Floor, Thane - Belapur Road,
Airoli, Navi Mumbai - 400708.
Email: icxsecretarial@icexindia.com
Website: www.icexindia.com
Phone: 022 - 40381300/1500
Fax: 022 - 40381511

Registrar and Share Transfer Agent:

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot Nos. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad 500 032
Telangana, India
Tel: +91 40 3321 1500
Fax: +91 40 2300 1153
Toll Free No.: 1800 345 4001
Email: einward.ris@karvy.com

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Indian Commodity Exchange Limited

Registered Office:- Office No. 109, 1st Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat - 395003. Website: www.icexindia.com Telephone No. 0261-300 9960.
CIN: U67120GJ2008PLC099142

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Tenth Annual General Meeting of the Members of the Indian Commodity Exchange Limited will be held on Saturday, December 22, 2018 at 11.30 a.m. at its Registered office at Office No. 109, 1st Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat - 395003 to transact the following businesses:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Lav Chaturvedi (DIN: 02859336), who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To consider and, if thought fit, to pass, with or without modification(s) the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory enactment or modifications thereof) and pursuant to the recommendation of Audit Committee and Board of Directors, M/s. Chaturvedi and Shah, Chartered Accountants having Firm Registration Number: 101720W be and is hereby appointed as Statutory Auditors of the Company for a period of five years from the conclusion of Tenth Annual General Meeting till the conclusion of the Fifteenth Annual General Meeting to be held in the year 2023 on such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

SPECIAL BUSINESS:

- (4) **Appointment of Dr. H. K. Pradhan, as an Independent Director of the Company:**

To consider and if thought fit to pass, with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as ‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 24 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (hereinafter referred as ‘SECC Regulations’), SEBI Circular

dated December 13, 2012 on 'Procedural norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations' as may be amended from time to time and Articles of Association of the Company, Dr. H. K. Pradhan (DIN: 02607244), who was nominated by Securities and Exchange Board of India for a period of three years and appointed by Board as additional director to be Public Interest Director, be and is hereby appointed as an Independent Director (Public Interest Director) of the Company not liable to retire by rotation for his remaining period i.e. up to May 25, 2021;

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

(5) Appointment of Mr. J. J. Bhatt, as an Independent Director of the Company:

To consider and if thought fit to pass, with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and Regulation 24 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (hereinafter referred as 'SECC Regulations'), SEBI Circular dated December 13, 2012 on 'Procedural norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations', as may be amended from time to time and Articles of Association of the Company, Mr. J. J. Bhatt (DIN: 08132347), who was nominated by Securities and Exchange Board of India for a period of three years and appointed by Board as additional director to be Public Interest Director, be and is hereby appointed as an Independent Director (Public Interest Director) of the Company not liable to retire by rotation for his remaining period i.e. up to May 25, 2021;

RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By order of the Board of Directors
For Indian Commodity Exchange Limited**

**Shweta Gujar
Company Secretary**

**Date : 26/11/2018
Place: Navi Mumbai**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE DULY COMPLETED AND SIGNED INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE AGM.**
3. Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (Ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (Ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder. A proxy shall not vote except on a poll.
4. A statement giving disclosure relating to a Director retiring by rotation/ re-appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings is annexed hereto.
5. The Register of Director's and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rule 17 of the Companies (Appointment and Qualification) Rules, 2014 will be available for inspection by the members at the Meeting in terms of Section 171 of the Companies Act, 2013.
6. As per the provisions of Section 113 of the Companies Act, 2013, a Corporate Members intending to send their Authorised Representatives to attend and vote at the AGM are requested to ensure that the Authorised Representative carries a duly certified true copy of the Board/ Management Committee resolution, authorizing him/her to attend and vote at the AGM and any one of the photo identity proofs (viz. Aadhaar Card, Driving License, PAN Card, Election Card, Passport or any other valid proof).
7. Members / Proxy Holders / Authorised Representatives are requested to bring their attendance slip duly signed and copy of the Annual Report to attend the meeting.
8. The Notice of the AGM along with the Annual Report 2017-18 is being sent to all shareholders whose names appear in the register of members as on November 16, 2018 by electronic mode whose e-mail addresses are registered with the Company / Depositories and for other shareholders through Courier/ Speed Post/ Registered Post or any other permissible means. The notice is also available on the website of the Company i.e. <http://www.icexindia.com/static/disclosures.aspx> under the Announcements Tab.
9. To support the 'Green initiative', the Members who have not registered /updated their e-mail addresses, are requested to register/update the same with the Company/RTA/DPs to enable the Company to send communications electronically.
10. Route map to the venue of meeting forms part of this Notice.

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

Item No. 4 & 5

Pursuant to the provisions of SECC Regulations, 2012 Mr. Ashok Sinha, Mr. R. K. Nair and Mr. V. K. Sharma the Public Interest Directors of the Exchange ceased to be the Public Interest Directors w.e.f May 26, 2018 after successful completion of their term.

In view of the same, the Board of the Exchange, on recommendation of Nomination and Remuneration Committee, had approved and recommended to SEBI for its nomination, the names of the applicants to be appointed as Public Interest Directors. The SEBI vide its letter dated May 07, 2018 nominated Dr. H.K Pradhan and Mr. J. J. Bhatt as Public Interest Directors on the Board of the Exchange for a term prescribed in SECC Regulations, 2012 i.e. for a term of three years.

On receipt of approval of SEBI, the Board appointed Dr. H. K. Pradhan and Mr. J. J. Bhatt as Additional Director to be Public Interest Director of the Exchange w.e.f. May 26, 2018.

As per definition for the Public Interest Director, contained in section 2(1) (n) of the SECC Regulations, 2012 Public Interest Director means an Independent Director. Therefore, Dr. H. K. Pradhan and Mr. J. J. Bhatt were appointed as Additional Directors as per the procedure prescribed in the Companies Act, 2013 and rules thereunder. In terms of clause 6.3.7 of SEBI circular dated December 13, 2012 and section 149 (13) of Companies Act, 2013 Dr. H. K. Pradhan and Mr. J. J. Bhatt being Independent Directors are not liable to retire by rotation.

As per applicable provisions of the Companies Act, 2013, Dr. H. K. Pradhan and Mr. J. J. Bhatt being eligible have offered themselves for appointment as Independent Directors for their remaining period as Public Interest Directors not liable to retire by rotation. The Company has also received a declaration from Dr. H. K. Pradhan and Mr. J. J. Bhatt confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Dr. H. K. Pradhan and Mr. J. J. Bhatt are also not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given their consent to act as a Public Interest Director of the Company. In the opinion of the Board, Dr. H. K. Pradhan and Mr. J. J. Bhatt fulfill the conditions specified in the Companies Act, 2013 for their appointment as Independent Directors.

Accordingly, the Board recommends the Resolution at Item No. 4 & 5 of the accompanying Notice for appointment of Dr. H. K. Pradhan and Mr. J. J. Bhatt as Independent Directors. None of the Directors or Key Managerial Personnel and their relatives, except Dr. H. K. Pradhan and Mr. J. J. Bhatt and relatives of Dr. H. K. Pradhan and Mr. J. J. Bhatt, are in any way, concerned or interested, financially or otherwise, in these resolutions.

By order of the Board of Directors
For Indian Commodity Exchange Limited

Date : 26/11/2018
Place: Navi Mumbai

Shweta Gujar
Company Secretary

Details of Directors seeking appointment / re-appointment at the Annual General Meeting pursuant to the Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings:

Name of Director	Mr. Lav Chaturvedi
Director Identification Number	02859336
Item No.	2
Date of Birth/ Age	July 20, 1976/ 42 years
Date of First Appointment	March 25, 2013
Brief Resume	<p>Shri Lav Chaturvedi has an MBA degree from Syracuse University, New York. He is also a Chartered Financial Analyst from the CFA Institute, USA. He is the Chief Risk Officer of Reliance Capital Limited (RCL) since October 2008. At RCL he is responsible for assessing and managing enterprise-wide risks at the group level covering various risks such as credit, market, operations, etc. across all businesses and geographies and risk aggregation for centralized risk and capital management. He is responsible for integral Internal Audit function at group level. He has been instrumental in developing best-in-class risk management capabilities and culture by creating a clear direct line of sight from risk management to stakeholder value. Before this, he was the Head, Risk Management in Reliance Mutual Fund, which he joined in January 2007.</p> <p>Shri Lav Chaturvedi has worked with IPS Sendero, subsidiary of Fiserv (a Fortune 500 company), in Scottsdale, Arizona, USA at the senior management level, providing strategic and tactical consulting on balance sheet management to the clients and assisting in the resolution of advanced analytical and policy issues. He has rich and in-depth exposure to the entire spectrum of commercial as well as financial functions in the corporate finance, banking and consulting industries at the domestic as well as international level.</p>
Expertise in specific functional area	Rich and in-depth exposure to the entire spectrum of commercial as well as financial functions in corporate finance, banking and consulting industries at domestic as well as international level.
Number of Board meetings attended during the Financial Year 2017-18	2 (Two)
Other Directorships (excludes Private / Foreign companies / Section 8 Companies)	<ol style="list-style-type: none"> 1. Reliance Financial Limited; 2. Reliance Commercial Finance Limited; 3. Reliance Asset Reconstruction Company Limited; 4. Grover Zampa Vineyards Limited; 5. Reliance General Insurance Company Limited;

	6. Reliance AIF Management Company Limited.
Chairman/Member of the Committees of the Board of Directors of other Public Limited companies in which he is a Director.	<p>Member of the following Committees:</p> <p>1. Reliance Financial Limited</p> <p>a) Audit Committee; b) Nomination and Remuneration Committee; and c) Corporate Social Responsibility Committee.</p> <p>2. Reliance Commercial Finance Limited</p> <p>a) Audit Committee; b) Nomination and Remuneration Committee; and c) Stakeholders Relationship Committee.</p> <p>3. Reliance General Insurance Company Limited</p> <p>a) Audit Committee; b) Corporate Social Responsibility Committee; c) Nomination and Remuneration Committee; and d) Stakeholders Relationship Committee.</p> <p>4. Reliance Asset Reconstruction Company Limited</p> <p>a) Corporate Social Responsibility Committee; b) Nomination and Remuneration Committee; and c) Audit Committee</p> <p>5. Reliance AIF Management Company Limited</p> <p>a) CSR Committee.</p>
No. of Equity shares held in the Company	He does not by himself or for any other person on beneficial basis, hold any share in the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.
Terms and Conditions of appointment / re-appointment.	Appointed as Non-Executive Director (Shareholder Director) liable to retire by rotation.

Name of Director	Dr. H. K. Pradhan
Director Identification Number	02607244
Item No.	4
Date of Birth/ Age	March 8, 1958 / 60 Years
Date of First Appointment	May 26, 2018
Brief Resume	<p>Dr. Pradhan has an M Phil & Ph.D. from the University of Pune, and a Fulbright Post-Doctoral Fellow at the Columbia University Business School, New York.</p> <p>He has been Professor of Finance and Economics at XLRI Jamshedpur, one of India's top business schools, where he also served as the member of the Board of Governors & Chaired the Doctoral Programme.</p> <p>He has served as a member of the RBI Technical Advisory Committee (TAC) on Financial Markets, an Independent Director of the State Bank of India Mutual Fund, Mumbai, where he also was a Member of the Director's Committees on Risk Management, Audit, and HR.</p> <p>He was a member of the Board of Micro Credit Rating International Ltd (MCril) and a member of the Index & Option Committee of the National Commodity and Derivative Exchange (NCDEX), Mumbai.</p> <p>Dr. Pradhan has worked as the Pacific Regional Advisor for the Commonwealth Secretariat, London, while serving concurrently as the Resident Debt Advisor with the Ministry of Finance, Government of Fiji Islands, during 2005-07.</p> <p>He served as expert on several occasions for the United Nations Economic Commission for the Asia and Pacific (UNESCAP) for the Finance for Development (FfD) initiative, drafted the FfD framework papers for the Doha meet of the UNESCAP, undertaken capacity building programmes in several Asian and African countries on debt management. He also acted as experts for the Commonwealth Secretariat, the World Bank, the Asian Development Bank, and the Crown Agent (London). He has undertaken advisory work for the Government of Nigeria Debt Management Office (DMO) on public debt management, for the Central Bank of Kenya on bond market development, for the Ministry of Finance of the Government of Sudan on subnational finance, and in debt advisory for the Government of Fiji Islands, including other Pacific Island countries.</p>

Expertise in specific functional area	He has about 30 years of experience in teaching, research and consulting in the field of finance and economics.
Number of Board meetings attended during the Financial Year 2017-18	N.A
Other Directorships (excludes Private / Foreign companies / Section 8 Companies)	1. SBI DFHI Limited; 2. Yes Trustee Limited.
Chairman/Member of the Committees of the Board of Directors of other Public Limited companies in which he is a Director.	Member of the Audit Committee of Yes Trustee Limited.
No. of Equity shares held in the Company	He does not by himself or for any other person on beneficial basis, hold any share in the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.
Terms and Conditions of appointment / re-appointment.	Appointed as Independent Director (Public Interest Director) not liable to retire by rotation.

Name of Director	Mr. J. J. Bhatt
Director Identification Number	08132347
Item No.	5
Date of Birth/ Age	January 18, 1950 / 68 Years
Date of First Appointment	May 26,2018
Brief Resume	<p>He is a Bachelor of Commerce (Hons.) and also a Bachelor of Laws from the University of Mumbai.</p> <p>Mr. Bhatt is an Advocate, has been practicing for last 17 years especially for capital market related matters, arbitration and risk management, due diligence exercise etc. before BSE, NSE, SEBI, Securities Appellate Tribunal, High Court, CLB, SEBI Special Courts and other forums etc.</p> <p>Mr. Bhatt is founder member of Investor Education and Welfare Association, Ghatkopar, Mumbai.</p> <p>Mr. Bhatt worked in leading and reputed companies such as Rallis India Limited and Corn Products Company (India) Limited for 13 years.</p> <p>He joined Bombay Stock Exchange in the year 1987 as a Deputy General Manager and handled the Grievance Redressal Machinery, Listing, Market Operations, etc. departments and became Director in June 1995. He also worked as Executive Director at Vadodara Stock Exchange for 2 years on deputation. Rejoined BSE Limited in April 1999 as Director – Investor Service and Listing till voluntary retirement in April 2001.</p> <p>Mr. Bhatt had been Chairman of the Bonds Committee (1992 Scam) set-up by Hon'ble Special Court of Bombay. He also worked in the several SEBI constituted committees such as Dr. Chandratra Committee on Delisting, Investor Services, OTCEI Committee etc.</p> <p>He was a member on the Arbitration Panel and Disciplinary Action Committee of Inter-connected Stock Exchange (ISE) and also a Trustee of Customer Protection Fund of ISE.</p> <p>During his career he visited all the leading Stock Exchanges in India and abroad.</p>
Expertise in specific functional area	Rich and in-depth exposure in Securities Market Laws.
Number of Board meetings attended during the Financial Year 2017-18	N.A

Other Directorships (excludes Private / Foreign companies / Section 8 Companies)	Nil
Chairman/Member of the Committees of the Board of Directors of other Public Limited companies in which he is a Director.	Nil
No. of Equity shares held in the Company	He does not by himself or for any other person on beneficial basis, hold any share in the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	He does not hold any relationship with other Directors and Key Managerial Personnel of the Company.
Terms and Conditions of appointment / re-appointment.	Appointed as Independent Director (Public Interest Director) not liable to retire by rotation.



Indian Commodity Exchange Limited

Registered Office:- Office No. 109, 1st Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura,
Surat, Gujarat - 395003. Website: www.icexindia.com Telephone No. 0261-300 9960.

CIN: U67120GJ2008PLC099142

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ANNUAL GENERAL MEETING 2017-18

Name of the Member (s) :

Registered Address :

Registered E-mail Id :

Folio No / Client ID :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature : or failing him/ her;

2. Name :
Address :
E-mail Id :
Signature : or failing him /her;

3. Name :
Address :
E-mail Id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Tenth Annual General Meeting of the company, scheduled to be held on Saturday, December 22, 2018, at 11:30 a.m. at Office No. 109, 1st Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura,

Surat, Gujarat - 395003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

Resolution No:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Lav Chaturvedi (DIN: 02859336), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and appoint M/s. Chaturvedi and Shah, Chartered Accountants (FRN: 101720W), as Statutory Auditors of the Company.

Special Business:

4. Appointment of Dr. H. K. Pradhan, as an Independent Director of the Company.
5. Appointment of Mr. J. J. Bhatt, as an Independent Director of the Company.

Signed this.....day of, 2018

Signature of shareholder.....

Affix Revenue Stamp of not less than ₹ 1
--

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.



Indian Commodity Exchange Limited

Registered Office:- Office No. 109, 1st Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat - 395003. Website: www.icexindia.com Telephone No. 0261-300 9960.

CIN: U67120GJ2008PLC099142

ATTENDANCE SLIP

Reg. Folio No. / DP ID / Client ID. :

Name & Address of Shareholder/ Proxy holder :

Name(s) of Joint Member(s), if any :

No. of Shares held :

I/we certify that I/we am/are registered shareholder(s)/proxy for the registered shareholder(s) of the Company.

I/We hereby record my/our presence at the **TENTH** Annual General Meeting of the Company on Saturday, December 22, 2018, at 11:30 a.m. at Office No. 109, 1st Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat - 395003.

Signature of First holder/Proxy/ Authorised Representative

Signature of Joint holder(s)

Place:

Date:

Notes:

1. Please fill in the details and sign this Attendance Slip and deposit the same with the Company Officials at the venue of the meeting.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

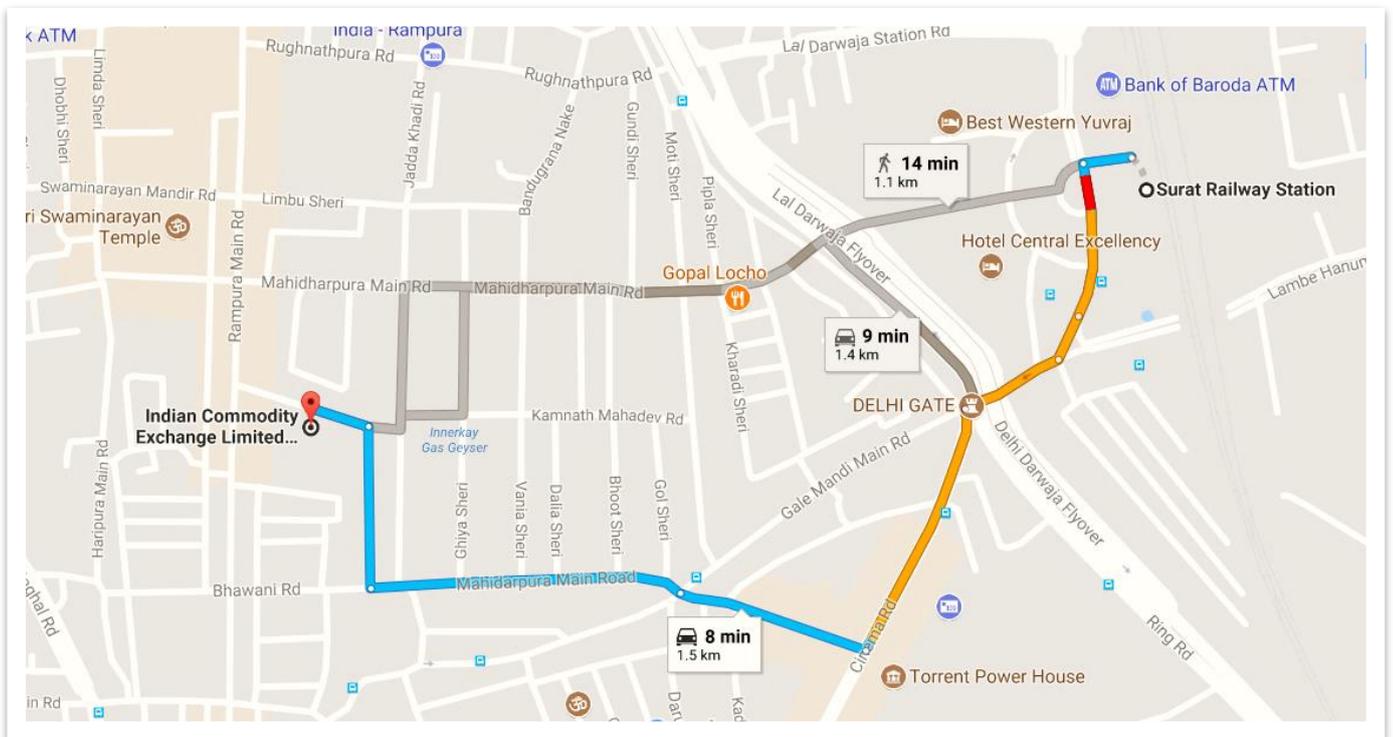
ROUTE MAP TO THE VENUE OF THE TENTH ANNUAL GENERAL MEETING:

INDIAN COMMODITY EXCHANGE LIMITED

CIN: U67120GJ2008PLC099142

Venue: Office No. 109, 1st Floor,
Nodh No. 1158 to 63/65/9,
Hat Faliyu, Mahidharpura,
Surat, Gujarat - 395003.

Land Mark: Blue Diamond Complex.



DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 10th Annual Report on the operations of your Company along with the Audited Financial Statement and the Auditors' Report for the financial year ended March 31, 2018.

At the outset, your Directors marked a turning point for the Company as National Company Law Tribunal ('NCLT'), Ahmedabad bench sanctioned the Scheme of Amalgamation of National Multi Commodity Exchange of India Limited ('NMCE') with Indian Commodity Exchange Limited ("ICEX") on August 27, 2018 which came into effect from September 7, 2018.

FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY:

The financial results for the year ended March 31, 2018 and the corresponding figures for the last year are as under:-

Particulars	(Amt. in Crores)	
	2017-18	2016-17
Profit/(Loss) Before Depreciation & Tax	(11.44)	(14.31)
Less: Depreciation / Amortization	11.54	0.55
Profit/(Loss)After Depreciation & Before Tax	(22.98)	(14.86)
Less: Provision for Deferred Tax (Exp.) / Credit	-	-
Profit / (Loss) after Tax	(22.98)	(14.86)
Provision for Tax	(0.52)	-
Profit / (Loss) for the year (A)	(23.50)	(14.86)
Balance of Loss brought forward (B)	(121.05)	(96.19)
Add / Less : Contribution / Withdrawal from Settlement Guarantee Fund (C)	-	(10.00)
Balance of Loss Carried Forward to Balance Sheet (A+B+C)	(144.56)	(121.05)

AMALGAMATION AND MERGER:

The Board at its meeting held on June 30, 2017 had approved the Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited ("NMCE" or "the Transferor Company") with Indian Commodity Exchange Limited ("ICEX" or "the Transferee Company") and their respective shareholders, subject to approval of shareholders, creditors, SEBI and sanction of the National Company Law Tribunal ("NCLT").

NCLT granted its sanction to the scheme of amalgamation vide its common order dated August 27, 2018. The said scheme became effective from September 7, 2018 upon filing certified copies of the order of NCLT with Registrar of Companies, Ahmedabad.

In view of the Scheme of Amalgamation coming in to effect and the appointed date being April 1, 2017, the Exchange revised its Financial Statements for the Financial Year 2017-2018 and Board Report of the merged entity.

The Exchange had also sought extension of time for a period of three months for holding and convening 10th Annual General Meeting (AGM) of the Exchange from the Registrar of Companies, Ahmedabad for adoption of merged Audited Financial Statements, together with the Reports of Directors and Auditors thereon. Accordingly, the extension was granted to conduct AGM by December 30, 2018.

REVIEW OF EXCHANGE PERFORMANCE, OPERATIONS AND OVERVIEW:

SEBI vide its letter dated July 7, 2017 had granted approval to Exchange for re-commencement of trading operations. The Exchange after successfully complying with all SEBI mandated norms-prescribed for the commodity exchanges, and implementing world-class technology and risk management systems, recommenced its trading operations w.e.f. August 28, 2017 in Diamond Futures Contracts. Your company has created world's first organized, transparent and regulated derivatives market for diamond. Your Company has also launched Steel Long Futures contract on August 28, 2018 thereby marking another milestone.

Further consequent to amalgamation of NMCE with ICEX, all the futures contracts traded at erstwhile NMCE were made available for trading at ICEX platform w.e.f. September 24, 2018 (date of system integration). As on the date of the report, there are Thirteen (13) commodities traded on your company's platform.

Your company is continuously working with an objective of launching innovative contracts which would serve economic benefits to the underlying commodity users. Few such innovative contracts shall be launched during the current financial year subject to the approval of SEBI.

Your Company is committed to explore and exploit all opportunities for unlocking the full potential of the Indian commodity derivatives market. Your Company is also working to start new segment in Mutual Fund Distribution and its related activities during this current financial year to add value to the Company.

Given the backdrop of recommencing the trading operations with only one commodity derivatives (Diamond), the operating environment for your Company during the year was challenging. However, the average daily turnover during F.Y 2017-18 was ₹14.29 crores (single side) with a total of 2369 clients trading on the Exchange. The total turnover of commodity futures traded on your Exchange since August 28, 2017 stood at ₹ 2158.48 crores in F.Y 2017-18. Your Company has national reach with 86 SEBI registered members, having 126 Authorised Persons, operating through 703 terminals including Computer to Computer Link (CTCL) across 58 cities / towns across India as at March 31, 2018. With the addition of 11 more commodities and 30 SEBI registered members as a consequence of merger of NMCE with ICEX, the reach of your company will manifold in terms of number of members, authorized persons, clients and the number of terminals across Country which will increase the volume of the Exchange in the current financial year.

For F.Y 2017-18, your Company's total loss stood at ₹ 23.50 crores as compared to ₹ 14.86 crores for F.Y 2016-17. One of the reasons for the losses suffered during the financial year under review was that, the Exchange had not charged any transaction fee to its members and had also waived off admission fee of members based on the membership admission scheme.

The operating income for F.Y 2017-18 was ₹ 3.50 crores as against ₹ 1.30 crores in F.Y 2016-17. Other income during F.Y 2017-18 was ₹ 11.24 crores as against ₹ 3.01 crores in the F.Y 2016-17. The net loss after tax for the year ended March 31, 2018 stood at ₹ 23.50 crores as against ₹ 14.86

crores for the year ended March 31, 2017. The net worth (including Exchange's initial Settlement Guarantee Fund contribution) as at March 31, 2018 stood at ₹ 209.70 crores.

REGULATORY UPDATES

During the year under review, SEBI has brought several reforms strengthening the operational framework and risk management in commodity exchanges, making the commodities market better in terms of integrity, reliability and aid it going forward. The presence of SEBI as the market regulator is expected to help further increase the confidence in the market and trust amongst all the financial and commodity markets ecosystem, stakeholders and make the commodity markets more vibrant and build a level-playing field across both the commodities and securities markets.

Further, the Hon'ble Union Finance Minister, while presenting the Union budget for the F.Y. 2017-18, proposed that the commodities and securities derivative markets will be further integrated by integrating the participants, brokers, and operational frameworks.

For smoother implementation of the convergence it was decided to be achieved in two phases. In Phase-I, it was proposed to have integration at Intermediary level. In Phase-II, necessary steps would be taken to enable a single Exchange to operate various segments such as equity, equity derivatives, commodity derivatives, currency derivatives, interest rate futures & debt etc.

With regards to Phase-I, all necessary steps required to enable integration of commodity derivatives market with rest of the securities markets at intermediary's level have already been taken by SEBI.

In order to implement Phase II i.e. to permit trading of commodity derivatives and other segments of securities market on single Exchange, the SEBI in its Board Meeting dated December 28, 2017 approved the proposal to remove the restrictions by making suitable amendments to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations, 2012 ("SECC12/28/2017 Regulations"). The amendments to the SECC Regulations, 2012 are effective from October 1, 2018. i.e. integration of trading in commodity derivatives market with segments of securities market such as equity, equity derivatives, currency derivatives, interest rate futures & debt etc. at Exchange level are effective from October 1, 2018 subsequent to amendments in SECC (Regulations).

Further SEBI vide its circular dated June 13, 2017 permitted to introduce trading in options. Options can be launched on futures contract of only those commodities that are among the top five in terms of total trading turnover value of previous twelve months and having the average daily turnover of underlying futures contracts of such commodity during the previous twelve months of at least ₹ 200 crore for agricultural and agri-processed commodities, and ₹ 1,000 crore for other commodities. SEBI has also stipulated necessary guidelines with regard to the product design and risk management framework to be adopted for trading in options on commodity future.

These policy changes are considered as favorable for the Commodity Exchanges which is expected to benefit the future business growth of Commodity Exchange by enlarging its scope

INVESTOR PROTECTION FUND (IPF)

Your Company has established ICEX- Investor Protection Fund Trust (ICEX - IPF), to protect and safeguard the interests of investors (clients) by meeting their eligible / legitimate claims on account of default by any trading and clearing member of the Exchange. The Trust plans to use the interest income earned on the investment of funds for imparting knowledge, education, conducting awareness programs, undertaking research or such other programs as may be specified by SEBI.

SETTLEMENT GUARANTEE FUND (SGF)

Pursuant to SEBI directives with respect to the Settlement Guarantee Fund (SGF), your Company has made an initial contribution of ₹ 10 crore towards SGF. With the merger of National Multi Exchange Commodity of India Limited into ICEX, the total initial contribution towards SGF now stands at ₹ 20 crores. Further, stress tests are required to be performed on quarterly basis, to determine the adequacy of balance in SGF. Accordingly, based on the stress tests performed, the balance in SGF was determined to be adequate and hence no additional contribution to SGF has been made during the FY 2017-18.

Income of ₹ 1.61 crores (net of tax), earned from earmarked SGF investments were credited to SGF during the year. The cash component of SGF stood at ₹ 30.88 crores as on March 31, 2018.

INVESTOR SERVICE FUND (ISF)

Pursuant to SEBI directives during the financial year, your Company has set up an Investor Service Fund (ISF), for providing basic minimum facilities at various Investor Service Centres, as mentioned in the SEBI circular. In accordance to the circular, at an initial stage, your Company has contributed ₹ 10 lakh towards setting up the ISF.

SEBI has permitted utilization of the corpus of ISF for conducting various investor education and awareness programs, capacity building programs and maintenance of all price ticker boards installed by the respective exchanges, cost of training of arbitrators etc. In addition, the corpus may be utilized in other manner as prescribed/permitted by SEBI in the interest of investors from time to time.

Since ISF is of recent origin, its corpus may be inadequate. SEBI has therefore permitted utilization of interest on IPF for activities of ISF for a period of 3 years starting from April 01, 2018.

DIVIDEND AND RESERVES:

In the absence of profits, the Directors do not recommend any dividend on the equity shares of the Company and no amounts are available for carrying to General Reserve.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:

The Company does not have Subsidiary/ Joint Venture/ Associate Companies. Therefore details of the same are not furnished.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year under review, your Company has not entered into any Related Party Transactions under section 188 (1) of the Companies Act, 2013 and the same is reported in form AOC -2 and annexed as Annexure I.

INTERNAL FINANCIAL CONTROLS:

The Company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

During the year under review, your Company has not given any loan, guarantees or provided any security as per section 186 of the Companies Act, 2013. Further your Company has not made any Investments as per section 186 of the Companies Act, 2013.

DEPOSITS:

The Company does not have deposits as contemplated under chapter V of the Companies Act, 2013. Further, the Company has not invited or accepted any deposits during the year ended March 31, 2018.

DIRECTORS:

Your Board currently comprises of six (6) Directors which includes three (3) Public Interest Directors, two (2) Shareholder Directors and one (1) Managing Director and Chief Executive Officer.

During the period under review, pursuant to SECC Regulations, 2012, Mr. Ashok Sinha, Chairman and Public Interest Director, Mr. V.K Sharma, Public Interest Director and Mr. R.K Nair, Public Interest Director ceased to be Directors of the Exchange w.e.f. May 26, 2018 after successful completion of their term. Further, Mr. P.S Gahlaut, Shareholder Director owing to his other pre-occupation, resigned from the Board of the Exchange w.e.f July 25, 2018. The Company places on record its appreciation towards valuable contributions made by them during their tenure as directors of the Company.

Dr. H.K. Pradhan and Mr. J. J. Bhatt were appointed as Additional Directors to be Independent Directors (Public Interest Directors) w.e.f. May 26, 2018 on nomination by SEBI. The term of their appointment is in accordance with the provisions contained in SECC Regulations, 2012 which provides for a term of 3 years for Public Interest Directors.

"Public Interest Director" under the SECC Regulations, 2012 means an independent director, representing the interests of investors in securities market and who is not having any

association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role and accordingly, such directors are considered as Independent Directors for adhering compliance with the provisions under the SEBI Listing Regulations, 2015 and Companies Act, 2013.

Mr. Lav Chaturvedi, Shareholder Director retires by rotation and being eligible, offers himself for re-appointment at the 10th Annual General Meeting of the Exchange scheduled to be held on December 22, 2018. His brief profile is given in the Exhibit to the Notice of the ensuing Annual General Meeting of the Company.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013. The Company has received declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013. Further, all Directors have confirmed that they are 'Fit and Proper' persons in terms of the SECC Regulations.

Details of Board Committees along with their terms of reference, composition and meetings held during the year, are provided in Corporate Governance Report which forms part of the Annual Report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board met Six (6) times during the financial year i.e. on April 22, 2017, May 11, 2017, June 30, 2017, July 21, 2017, October 26, 2017 and January 25, 2018.

SECRETARIAL STANDARDS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India i.e. SS - 1 (Meetings of the Board of Directors) and SS - 2 (General Meetings).

KEY MANAGERIAL PERSONNEL (KMP):

The following are designated as the Whole-time Key Managerial Personnel of the Exchange pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2018:

- (a) Mr. Sanjit Prasad - Managing Director and Chief Executive Officer
- (b) Mr. Ghanashyam V. Rao - Chief Financial Officer

During the year under review, Mr. Ameya Paranjape, Company Secretary and Whole-time Key Managerial Personnel of the Exchange resigned with effect from October 21, 2017.

The Board on recommendation of Nomination and Remuneration Committee appointed Ms. Shweta Gujar, as Company Secretary and designated Whole-time Key Managerial Personnel of the Company with effect from April 20, 2018.

The Company does not have any Employees' Stock Option Scheme.

AUDIT COMMITTEE:

The Audit Committee comprised of four (4) Directors as on March 31, 2018 viz. Mr. V. K. Sharma (Chairman of the Committee), Mr. Ashok Sinha, Mr. R. K. Nair and Mr. Lav Chaturvedi.

Further, the Audit Committee was re-constituted w.e.f. June 22, 2018 comprising of Dr. H.K. Pradhan, Mrs. D Vijayalakshmi, Mr. J.J. Bhatt and Mr. Lav Chaturvedi as members of the committee.

Dr. H. K. Pradhan, was appointed as Chairman of the Audit Committee.

All the recommendations of the Audit Committee were accepted by the Board.

FAMILIRISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The independent directors are familiarised with the Company, through various programmes. These include orientation programme upon induction of new directors, strategic presentations made to the Board where directors get an opportunity to interact with the senior management and also other initiatives to update directors on continuing basis. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available on our website at <http://www.icexindia.com/static/disclosures.aspx>. The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <http://www.icexindia.com/static/disclosures.aspx>

PARTICULARS OF EMPLOYEES:

The Company had no employees during the year covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However compensation given to key management personnel is disclosed in Annexure II in accordance with Regulation 27(5) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013:

The Company has in place a 'Sexual Harassment of Employees' Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Company has in place the policy on appointment and remuneration for Directors including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and senior management employees pursuant to the provisions of the Companies Act and Regulation 19 of SEBI Listing Regulations, and the same is annexed as Annexure III.

CORPORATE SOCIAL RESPONSIBILITY:

Since the net-worth of the Exchange is not ₹ 500 crores or more or turnover is not ₹ 1000 crores or more or net profit is not ₹ 5 crores or more during preceding three financial years, provisions of section 135 of the Companies Act, 2013 with respect to constitution of Corporate Social Responsibility Committee are not applicable to the Exchange.

BOARD EVALUATION:

In view of the provisions of the Companies Act and Listing Regulations, the Board has carried out the annual evaluation of the performance of the Directors, Board as a whole and its Committees. The Nomination and Remuneration Committee has also reviewed the performance of Individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors. The Directors expressed their satisfaction with the evaluation process.

RISK MANAGEMENT:

The Company has a well-defined risk management framework in place. Your Company has constituted a Risk Management Committee of the Board which is authorised to monitor and review risk management plan and risk certificate. The Committee is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy.

VIGIL MECHANISM:

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link: <http://www.icexindia.com/static/disclosures.aspx>

Further details are available in the Report on Corporate Governance that forms part of this Annual Report.

CLEARING AND SETTLEMENT FUNCTIONS:

Pursuant to regulation 36 of SECC Regulations, 2012 and clause 5 of SEBI circular ref no. CIR/CDMRD/DEA/03/2015 dated November 26, 2015, "Commodity derivatives exchanges shall transfer the functions of clearing and settlement of trade to a separate clearing corporation within three years" i.e. by September, 2018.

In view of this, the Exchange has appointed Metropolitan Clearing Corporation of India Limited (MCCIL) as designated Clearing Corporation to perform, all clearing and settlement functions for trades executed on the Commodity Derivatives Segment of ICEX. ICEX and MCCIL have received necessary approval from SEBI for the said transfer of functions. Accordingly, the clearing house functions were transferred to MCCIL w.e.f. October 1, 2018.

CORPORATE GOVERNANCE:

Pursuant to the Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2012 ("SECC Regulations 2012"), corporate governance norms as specified for listed companies mutatis mutandis applies to a recognized Stock Exchange. In accordance with good corporate governance practices and in order to comply with the SECC Regulations 2012, a report on Corporate Governance covering amongst others, composition, details of meetings of the Board and Committees as at March 31, 2018 forms part of the Annual Report. A Certificate from a Practicing Company Secretary, Mumbai confirming status of compliances of the conditions of Corporate Governance forms part of this Annual Report.

AUDITORS & AUDITORS REPORT:

STATUTORY AUDIT REPORT:

S M M P & Associates (Firm Registration No. 120438W), Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on September 26, 2016 for a term of two years i.e. for F.Y. 2016-17 and F.Y. 2017-18.

S M M P & Associates have submitted Auditors Report on the accounts of the Company for the accounting year ended March 31, 2018. The Notes to the Accounts referred to in the Auditors Report are self-explanatory. The Auditors Report does not contain any qualification, reservation or adverse remark.

AUDITOR'S

As per the provisions of the Companies Act, 2013 the period of office of Messrs. S M M P & Associates expires at the conclusion of the ensuing Annual General Meeting.

The Board of Directors on July 25, 2018 on proposal of Audit Committee, has recommended the appointment of Chaturvedi and Shah, Chartered Accountants (FRN: 101720W) to the shareholders as the Statutory Auditors of the Company. Chaturvedi and Shah, Chartered Accountants will hold office for a period of 5 (Five) consecutive years commencing from conclusion of Tenth Annual General Meeting of the Company to be held on December 22, 2018 till the conclusion of Fifteenth Annual General Meeting to be held in the year 2023 subject to the approval of shareholders of the Company.

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from Chaturvedi and Shah, Chartered Accountants, to their appointment and a Certificate to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs. G. S. Shetty & Associates, Practicing Company Secretary (Certificate of Practice Number:7729) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as Annexure IV to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

SHARE CAPITAL:

Authorised Share capital

The Authorised Share Capital of the Exchange as on March 31, 2018 was ₹ 175,00,00,000/- (Rupees One Hundred Seventy Five Crore) divided into 35,00,00,000 (Thirty Five Crore) equity shares of ₹ 5/- each.

However, by virtue of the Scheme of Amalgamation sanctioned by the Honb'le National Company Law Tribunal, Ahmedabad Bench ("NCLT") the Authorised share capital of the Company as on the date of this report has increased from ₹ 175,00,00,000/- (Rupees One Hundred Seventy Five Crore) divided into 35,00,00,000 (Thirty Five Crore) equity shares of ₹ 5/- each to ₹ 268,00,00,000/- (Rupees Two Hundred and Sixty Eight Crore) divided in to 53,60,00,000 (Fifty Three Crore Sixty Lakh) equity shares of ₹ 5/- each.

Issued, subscribed and paid-up capital

The issued, subscribed and paid-up Share Capital of the Exchange as on March 31, 2018 was ₹167,50,00,000/- (Rupees One Hundred Sixty Seven Crore Fifty Lakh) divided into 33,50,00,000/- (Thirty Three Crore Fifty Lakh) equity shares of ₹ 5/- each fully paid up.

In accordance with the sanctioned Scheme of Amalgamation, your Exchange on September 25, 2018 had issued 19,85,07,476 (Nineteen Crores Eighty Five Lakhs Seven Thousand Four Hundred and Seventy Six) Equity Shares of ₹ 5/- (Rupee Five only) each to the shareholders of National Multi-Commodity Exchange of India Limited (NMCE) i.e. in the swap ratio of 10,384 Equity Share of ₹ 5/- (Rupee Five only) each of the Company for every 1000 Equity Shares of ₹ 10/- (Rupee Ten only) each held in NMCE.

As on the date of this report, the issued, subscribed and paid-up Share Capital of the Exchange is ₹ 266,75,37,380/- (Rupees Two Hundred Sixty Six Crore Seventy Five Lakh Thirty Seven Thousand Three Hundred Eighty) divided into 53,35,07,476 (Fifty Three Crore Thirty Five Lakh Seven Thousand Four Hundred and Seventy Six) equity shares of ₹ 5/- each fully paid up.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY:

The shareholders of the Company at the Extra-ordinary General Meeting held on June 23, 2017 had approved shifting of registered office of the Company from National Capital Territory of New Delhi (i.e. from the jurisdiction of Registrar of Companies, Delhi & Haryana) to the State of Gujarat (i.e. to the jurisdiction of Registrar of Companies, Ahmedabad) and also approved consequential amendment to the situation clause of the Memorandum of Association. Subsequently the Company had filed petition with Regional Director, Northern Region (New Delhi) for its approval.

The Regional Director, Northern Region (New Delhi), vide its order dated August 11, 2018 approved the shifting of registered office to the State of Gujarat. Subsequently, the fresh

Certificate of Registration was issued to the Company by the Registrar of Companies, Ahmedabad i.e. September 18, 2017.

Accordingly, the Registered Office of the Company stands shifted to Surat, State of Gujarat w.e.f. September 18, 2017.

EXTRACT OF THE ANNUAL RETURN:

An extract of Annual Return of your Company pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules, 2014 in Form MGT-9 is attached as Annexure V to this Report.

MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE EXCHANGE:

There have been no material changes and commitments affecting the financial position of the Exchange which have occurred between the end of the financial year to which the financial statements relate and to the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Company is not under the list of specified industries, however required conservation measures are taken to the extent possible. Exchange continuously strives to optimize its energy usage and efficiency. Following are some of the initiatives taken by the Exchange:

1. Using LED lights in place of CFL (compact fluorescent lamp) & Pear lights.
2. Installation of HVAC (Air conditioning) Central Controller system for scheduling the use of Air Conditioners and Capacitor Banks in electrical panel which effect in reduction of consumption of energy.
3. Using only required lights and switching off electrical devices like lights, computer monitors etc. when not in use.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review the Exchange has no foreign exchange earnings. There has been foreign exchange out go of ₹ 2,91,35,174/- on account of Information Technology expenses.

CHANGE IN THE NATURE OF BUSINESS:

There was no change in the nature of the business of the Company done during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:-

1. In the preparation of the annual accounts for the Financial Year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Exchange at the end of the financial year March 31, 2018 and of the profit of the Exchange for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Exchange and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis; and
5. The Directors have laid down internal financial controls to be followed by the Exchange and that such internal financial controls are adequate and are operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT:

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Government of India, particularly Ministry of Finance, Ministry of Corporate Affairs, Ministry of Petroleum & Natural Gas, Securities and Exchange Board of India, Reserve Bank of India, NSDL, technology partners and all other business associates of the Company. The Directors also wish to convey their appreciation to the Company's employees for their enormous efforts as well as their collective contribution towards the revival of the Exchange.

For and on behalf of the Board of Directors

Place : Navi Mumbai
Date : November 1, 2018

J. J. Bhatt
Director
DIN: 08132347

Sanjit Prasad
MD & CEO
DIN: 03304097

ANNEXURE I

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sl. no.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions.	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis:

Sl. no.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/ arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

For and on behalf of the Board of Directors

Place : Navi Mumbai
Date : November 1, 2018

J. J. Bhatt
Director
DIN: 08132347

Sanjit Prasad
MD & CEO
DIN: 03304097

ANNEXURE II

Statement pursuant to regulation 27(5) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

Sr. No	Name & Qualification	Age (Yrs)	Designation/ Nature of Duties	Total Remuneration (₹)	Experience in years	Date of Joining	Previous Employment
1	Mr. Sanjit Prasad B.A Economics (Hons), PGDRM	47	Managing Director & CEO	1,00,00,000	22	01.09.2016	Metropolitan Stock Exchange of India Limited
2	Mr. Ranjit Samantary* B.Com (Hons), LLB, ACS & CFC (Canada)	54	Chief Regulatory Officer	46,53,399	27	16.10. 2015	Universal Commodity Exchange Limited
3	Mr. Ghanashyam V. Rao* B.Com, DMS, MBA (Finance)	50	Chief Financial Officer	47,50,920	30	03.11.2015	Metropolitan Stock Exchange of India Limited
4	Mr. Sushil Limbulkar BE , MBA	45	Chief Technology Officer	42,63,336	23	04.12.2015	Metropolitan Stock Exchange of India Limited
5	Mr. Pradeep Mishra M.Sc. (Ag. Eco) & PGPABM	43	Deputy Vice President -Investors Protection, Grievance, Services and Arbitration	21,50,054	16	18.02.2016	Price Waterhouse Cooper Pvt. Ltd.
6	Mr. Ameya Paranjape # B.Com, L.L.B, C.S.	38	Senior Manager - Legal & Secretarial, Default	13,60,107	13	21.03.2016	Mahindra & Mahindra Ltd.
7	Mr. Sushil Mishra B.Sc, MMS (Finance), PG Diploma in Treasury & Forex Mgmt.	38	Asst. Vice President - Surveillance	20,55,653	16	27.04.2015	Universal Commodity Exchange Limited
8	Mr. Saroj Nanda BA Economics (Hons), MBA.	37	Chief Manager - Clearing & Settlement	15,64,916	14	27.04.2015	Universal Commodity Exchange Limited
9	Mr. Praveen Acharya B.Com & CFA	40	Senior Manager - Membership	12,98,144	20	01.02.2016	Metropolitan Stock Exchange of India Limited
10	Mr. Narayanaswamy Iyer M.Com, CA	41	Deputy Vice President - Enforcement	29,29,674	16	09.11.2015	Reliance Asset Reconstruction Co. Ltd
11	Mrs. Anshu Bharti B.Sc, MBA (AGRI BUSINESS)	38	Senior Manager - Risk Management	11,82,554	13	09.02.2016	Forward Market Commission

* Total remuneration stated above is excluding unpaid 50% of total variable pay as per SECC Regulation, 2012 of SEBI.

Ceased to be the employee of the Exchange w.e.f. October 21, 2017.

Notes:

1. Remuneration as shown above includes Salary, other Allowances, Contribution to Provident Fund, Gratuity etc.
2. None of the employees named above is relative of any Director of the Company.
3. None of the employees named above hold any equity shares in the Company.

For and on behalf of the Board of Directors

**Place : Navi Mumbai
Date : November 1, 2018**

**J. J. Bhatt
Director
DIN: 08132347**

**Sanjit Prasad
MD & CEO
DIN: 03304097**

ANNEXURE III

Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management employees.

1. Introduction

1.1 Indian Commodity Exchange Limited (ICEX) considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors/ employees with the goals of the Company.

1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

2. Objectives

2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.

2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures;

2.4 Retention of high performers at all levels and those playing critical roles.

3. Scope

The Board has constituted the “Nomination and Remuneration Committee” in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel (KMP) and senior managerial personnel of the Company.

4. Definitions

4.1. “Director” means a director appointed to the Board of the Company.

4.2. “Key Managerial Personnel” means

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer;
- (v) KMP as per SECC Regulations, 2012 and
- (vi) such other officer as may be prescribed under the Companies Act, 2013.

4.3. "Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the executive directors, if any.

5. Policy

5.1 Appointment of Directors/ Key Managerial Personnel/ Senior Management personnel

The Nomination and Remuneration Committee, inter alia, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.

5.2 Remuneration to Directors/ Key Managerial Personnel

5.2.1 The remuneration of the Directors/ Managing Director/ Whole time Directors and Managers etc. will be governed as per provisions contained in the Companies Act, 2013 and rules made therein from time to time.

5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time.

5.2.3 The Non- Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.

5.2.4 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/ Key Managerial Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders

5.2.5 The remuneration structure shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options, if any.
- (iv) Commission (Applicable in case of Executive Directors/ Directors)
- (v) Retiral Benefits
- (vi) Performance Linked Incentives

5.2.6 The Annual Plan, Objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration etc. will be proposed based on the achievements.

5.3 Remuneration to other employees

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs), Long-term Incentives (LTIs), Employee Stock Options etc.

7. Modification and Amendment

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

The Policy has to be read along with the 'Compensation Policy for KMP' approved by the Board at its meeting held on 23rd December 2015.

Compensation Policy for KMPs

1- Objective:

The objective of the compensation policy of Indian Commodity Exchange Limited (herein after referred to as "Exchange") is to:

- Support performance that is based on merit, and differentiate and reward excellent performance, both in the short and long term, and to recognise the values of the Exchange:
- Attract and retain KMP, and motivate them to achieve organizational goals with integrity fairness and ethical behaviour.
- Balance the mix of fixed compensation and Variable Compensation to appropriately reflect the value and responsibility of the role performed day to day by KMP, and to influence appropriate behaviours and actions.
- Promote effective risk management practice and compliance.
- Foster teamwork and collaboration.
- Take into account the long-term performance of the Exchange, in order to create sustainable value for the shareholders and

In determining the Compensation policy, the Compensation Committee and the Board shall ensure that a competitive Compensation policy for the Key Management Personnel of the Company is being followed and which is in compliance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulation, 2012 (hereinafter referred to as "SECC Regulations") and all other relevant acts, regulations, notifications, circulars and guidelines which are and may be issued by SEBI or any other relevant authorities from time to time.

2- Applicability

This Policy is applicable to all the key Management Personnel. As per under the SECC Regulations "Key Management Personnel" (hereinafter KMP) means a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of department(s) in the recognized stock exchange or the recognized clearing corporation or in any other position as declared so by such stock exchange or clearing corporation. The KMPs shall be such as are identified by the Compensation Committee or in case of changes between meetings of the Committee, by the MD in the interim.

3- Compensation Governance

The compensation governance practices, which are set out in the Policy, are part of the overall corporate governance structure. They should be read in conjunction with the other policies and guidelines of Exchange. The Compensation Policy adheres to the compensation principles stipulated by Securities and Exchange Board of India (SEBI) and other applicable laws.

3.1 Compensation Committee and/or Nomination and Remuneration Committee

The Exchange has constituted a Compensation Committee/ Nomination and Remuneration Committee, which comprises of majority of the Public Interest Directors and is chaired by a Public Interest Director. The role of the committee is to create, recommend, review and approve compensation plans for KMP of the Exchange. Further, the Committee shall also fix the tenure of the KMP in the regulatory department. The Compensation Policy shall be in accordance with the norms specified by SEBI. The Compensation Committee may also procure external legal advice or advice from independent external advisors, as and when required. The Compensation Committee shall ensure that the Compensation Policy is accessible to all the KMPs. The Committee will annually review/ asses implementation of the compensation policy. The Committee shall review the compensation of KMPs every financial year or earlier as the maybe required.

3.2 Compensation of Managing Director to be approved by the Board

The compensation and the terms and conditions of the Managing Director shall be approved by the Remuneration Committee/Compensation Committee/ Board and placed before SEBI for approval. The Terms and conditions of the compensation of the Managing Director shall not be changed without prior approval of the Remuneration Committee/ Compensation Committee/Board and SEBI.

4- Factors determining Compensation

The Compensation Committee shall consider the following conditions, while deciding the compensation payable to the KMP:

- Financial condition/ health of the Exchange including revenues, net profits and other relevant financial parameters, if any
- Average levels of compensation payable to KMP in similar ranks in the industry and industry standards
- Absence of provisions tending to incentivize taking excessive risks over the short run.
- Role and responsibilities of the Key Management Personnel.
- Performance of the KMP.
- Necessity to differentiate and reward excellent performance, both in the short and long term.
- Attract and retain KMP, and motivate them to achieve results with integrity and fairness
- Encourage teamwork and collaboration across the KMP
- Foster growth for the KMP within the Exchange
- Curb excessive risk taking and shot term profit oriented behaviour through Malus and Clawbacks clauses.
- Provides equal opportunity to all the KMPs.
- Adherence to the norms stipulated by SEBI and other regulators.

5- Compensation Structure

Compensation Structure is a mix of fixed compensation on the one hand and short and long-term deferred variable compensation on the other. It is designed to ensure adequate consideration of risk in compensation decisions; Every KMP would have to enter into an agreement with the Exchange to ensure a long term mutually beneficial relationship and regulatory compliance. The total compensation structure would be in the following manner.

5.1 Fixed/Basic Compensation:

Fixed compensation, which is most commonly paid in the form of base salary, is based on the role and experience of the individual, his or her individual sustained long-term performance, and market positioning. Base salary is set at levels designed to retain Key management Personnel throughout business cycles.

5.2 Variable Compensation

The level of variable compensation granted, referred to as a discretionary variable incentive which is factored in the Compensation of the KMP, is entirely at the discretion of the compensation Committee/Board, and may be zero in cases as deemed fit by the Compensation Committee/Board. The compensation Committee/Board makes decisions on variable compensation based on absolute and relative performance of the Exchange and its Divisions, as well as pre-agreed individual performance objectives of KMP's, market positioning, and a variety of other factors. The variable pay shall not exceed one-third of total pay.

5.3 Deferred Compensation:

50% of variable compensation is deferred to reflect the nature of the Exchanges business, its risk profile, and the desire to have compensation plans that are based on sustainable performance criteria, which are enlisted in the KMP's KPC (Key Performance Criteria)/KRA (Key Result Area). Deferred compensation are subject to vesting period of three years.

5.4 Prohibition on ESOPs and Equity Linked Instruments

ESOPs and Equity Linked Instruments shall not be issued as part of compensation of KMPs from the effective date of this policy. The ESOPs that have already been granted to KMPs before coming into effect of the SEBI Circular CIR/MRD/DSA/33/2012 dated December 13, 2012 shall not be exercised by the respective KMPs in contravention of the regulations/guidelines issued by SEBI from time to time.

6- Malus and Clawback Arrangement

The compensation arrangement shall contain a general provision of Malus and Clawback that enables the Exchange to cancel outstanding Deferred compensation or a part of the Total Compensation if the employees engages in activities that results in, or have the potential to result in, or have the potential to result in, material harm financial, reputational, or any other cause which may be detrimental to the interests to the Exchange.

Malus and Clawback are defined in SEBI circular CIR/MRD/DSA/33/2012 dated December 13, 2012, as follows:

- 1) A Malus arrangement permits the Exchange to prevent vesting of all or part of the amount of a deferred remuneration.
- 2) A Clawback is a contractual agreement between the employee and the Exchange in which the employee agrees to return previously paid or vested remuneration to the Exchange under certain circumstances.

As defined above, Malus shall be only applicable to all or part of the deferred and as yet unvested Compensation if any and Clawback shall be applicable to the previously paid or vested compensation. The compensation Committee or the Board shall on occurrence of the following events attributable directly or indirectly to the particular KMP, either singly or jointly with other persons, initiate action/recoveries/prevent vesting under the Malus and Clawback clauses:

- a) Fraud
- b) Gross negligence which has caused or may cause significant financial losses or reputational harm to the Exchange
- c) Misfeasance and nonfeasance which has caused or may cause significant financial losses or reputational harm to the Exchange
- d) Any act amounting to Criminal Breach of Trust
- e) Conviction for an offence involving moral turpitude
- f) Fraudulent Financial reporting
- g) Ethical Misconduct
- h) Overstating/misstating financial indicators or other performance criteria either at the company level or individual level with a view to get an increased variable pay
- i) Breach of confidentiality or trade secrets

Clawback shall be applicable to the complete variable compensation which is vested in the previous year and in case there is no variable component in the compensation of particular KMP, it would be applicable upto 10% of the fixed compensation drawn in the previous year. All recoveries or compensation returned by the KMPs under Clawback, would be net-off of taxes and levies in that respective year(s)

In case of separation or resignation to termination of the service of the employee for any reason other than misconduct, the deferred variable component shall remain with the Exchange for period the remaining period and shall be paid after the completion of vesting period as specified in the Compensation Policy

In case of death of the Employee, the deferred compensation shall be payable to legal heirs or successors of the Employee after the completion of the vesting period, subject to the legal heirs or successors of the Employee producing all such document as may be required by the Exchange to prove the succession to the assets of the deceased employee.

In case of the retirement or termination of service of the employee due to early retirement pursuant to scheme of voluntary retirement as formulated by the Exchange, if any. The deferred

compensation shall be payable after completion of the vesting period as specified in the Compensation Policy.

7- Total Compensation

The Total Compensation decision reflects the impact of the function, and its value within the organization. Total Compensation is influenced by the market value for a particular role, relative to predetermined business results and individual performance goals. The KMP's ability to demonstrate skills, capabilities, criticality and experience in addition to behaviours demonstrating the vision, mission and principles of the Exchange are contributing factors in determining their total compensation.

Additionally, specific roles and/or levels are considered in part with a view towards determining the potential of an individual (or group of individuals) to expose the Exchange to inappropriate risk. Both financial risks such as credit, market, and liquidity risk and non-financial risks such as compliance, legal, operational and reputation risks are considered.

8- Equal Compensation Opportunity

The Exchange does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, identity, religion, age marital or family status, Pregnancy, disability or any other status that is protected by law of the country and the Constitution of India. The Exchange encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment-related decisions, including decisions on compensation, are based on an individual's qualification, performance and behaviour, or other legitimate business considerations. Legitimate business considerations may include (though need not be restricted to) the profitability of the Exchange, the Division and department of the individual, industry practice, the strategic needs of the Exchange as well as any other considerations that the Exchange deems legitimate to its business interests.

ANNEXURE IV

Date: 17th July, 2018

To,

The Members,

INDIAN COMMODITY EXCHANGE LIMITED

1st Floor, Office - 109, Nodh No.-1158 to 63/65/9,

Hat Faliyu, Mahidharpura, Surat,

Gujarat - 395003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s. G S Shetty & Associates
Practicing Company Secretaries

CS. Ganesha Sanjeeva Shetty
(Proprietor)

M.No. : FCS 7904

COP No. : 7729

PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

To,
The Members,
INDIAN COMMODITY EXCHANGE LIMITED
1st Floor, Office - 109, Nodh No.-1158 to 63/65/9,
Hat Faliyu, Mahidharpura, Surat,
Gujarat - 395003

Dear Sir,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **INDIAN COMMODITY EXCHANGE LIMITED (CIN: U67120GJ2008PLC099142)** (hereinafter called "the Company" or "ICEX" or "Exchange"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year from 1st April 2017 to 31st March, 2018 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, (for the Financial Year ended on 31st March, 2018), according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") :-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. **(Not Applicable during the Audit Period)**

- b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. **(Not Applicable during the Audit Period)**
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable during the Audit Period)**
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 and its amendments notified on 18th September, 2015 **(Not Applicable during the Audit Period)**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable during the Audit Period)**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable during the Audit Period)**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable during the Audit Period).**
2. We are given to understand that based on the nature of the business activities of the Company, the following **specific** regulations/laws are applicable to the Company:
- (i) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and rules and regulations, procedural norms, made there under, Bye-laws and Rules of ICEX;
 - (ii) Comprehensive Guidelines for Investor Protection Fund (IPF) / Customer Protection Fund (CPF) at Stock Exchanges;
 - (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (iv) Employees' Welfare and other related labour laws applicable to employees appointed by the company either on payroll or on contractual basis of respective states;
 - (v) Indian Contracts Act, 1872;
 - (vi) Indian Stamp Act, 1899;
 - (vii) Acts prescribed under Direct Tax and Indirect Tax Laws by the Central and respective State Government;
 - (viii) Negotiable Instrument Act, 1881;
 - (ix) Goods and Services Tax (GST)

- (x) Shops and Establishment Act;
 - (xi) Rent Act;
 - (xii) Information Technology Act, 2000;
 - (xiii) Limitation Act, 1963;
 - (xiv) Insurance Act, 1938.
3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, compliance with the applicable clauses of the following:
- (i) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India;
 - (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (iii) The Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Public Interest Directors, Managing Director, Woman Director and Shareholders' Directors. During the Audit Period, Company Secretary of the Company, resigned from Position on 21st October, 2017.

As on even date, the Company has appointed new Company Secretary w.e.f. 20th April, 2018, and such appointment is in accordance with the provisions of Companies Act, 2013.

Adequate notice had been given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and that a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Unanimous decisions were carried through as there was no case of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes. And the Board has passed **Six (6)** Resolutions by circulation for which the Company has complied with the provisions of the Companies Act, 2013 and other applicable Rules and Regulations read with Secretarial Standards (SS-1).

We further report that:-

There are adequate systems and processes in place in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and Bye Laws and Rules of the Company.

We further report that during the audit period the Company has following specific event(s) / action(s) having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Commodity Exchanges are governed and regulated by SEBI. The Company has complied with all the applicable regulations, circulars and norms as given by SEBI from time to time.
2. During the year under review, SEBI has granted its approval to the Company for re-commencement of trading operations vide letter dated 7th July, 2017, and the Company re-commenced its trading operations w.e.f. 28th August, 2017.
3. During the year under review, the Company has shifted its Registered Office from NCT of Delhi to Surat, State of Gujarat, to which Company has complied with required Compliances.
4. During the year under review, the exchange has total 86 members of different categories registered with SEBI.

The exchange has complied with all the compliances required as per the relevant laws and terms and conditions decided by Board of Directors of the Company and Membership Selection Committee for Membership of Exchange from time to time.

5. During the year under review, Board of Directors of the Company have approved the Scheme of Amalgamation of National Multi Commodity Exchange of India Ltd (NMCE) with ICEX. An application was submitted to Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, for convening a meeting of Members for Approval of the Scheme and NCLT has given its order and Directions on 21st February, 2018, to convene such meeting of Members and the date scheduled was 6th April, 2018.
6. The Board of Directors have constituted 15 different statutory committees as per the SEBI Guidelines and Procedural Norms laid down from time to time and set their Frequency and Quorum. We observed that, during the year under review, except the following Committees, none of the other Committees meetings were convened:
 - i. Membership Selection Committee
 - ii. Defaulter Committee
 - iii. Ethics Committee
 - iv. Public Interest Director Committee.
 - v. Oversight Committee for Product Design
 - vi. Audit Committee
 - vii. Nomination & Remuneration Committee
7. The Company has submitted its audited Net-worth Certificate for financial year ended 31st March 2017 required under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.
8. During the year under review, Mr. Vinod Dinanath Chopra, transferred his Individual Shareholding to M/s. NJ India Invest Private Limited., thereby increasing shareholding of M/s NJ India Invest Private Limited., from 1.49% to 2.99% of the total Paid-up Share Capital of the Exchange. The Company has complied with required compliance as laid

down under The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

For M/s. G. S. Shetty & Associates
Practicing Company Secretaries

CS. Ganesha Sanjeeva Shetty
(Proprietor)
M.No. : FCS 7904
COP No. : 7729

Place: Mumbai

Date: 17th July, 2018

Encl: **List of Documents Verified - 'Annexure - I'**

Note: This report should be read with our letter of even date which is annexed with MR-3 and forms an integral part of this report.

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March 2017.
3. Balance Sheet as at 31st March, 2018, and Statement of Profit & Loss for financial year ended 31st March 2018.
4. Minutes of the meetings of the Board of Directors held during the financial year together with the Attendance Registers.
5. Minutes of the meetings of the Audit Committee, Membership Selection Committee, Nomination & Remuneration Committee, Public Interest Directors Committee, Ethics Committee, Oversight Committee on Product Design and Defaulter's Committee held during the financial year together with the Attendance Registers.
6. Minutes of Extra-Ordinary General Meeting held on 23rd June 2017 and Annual General Body Meeting held on 28th September 2017
7. Bye-Laws and Rules for the Exchange.
8. Policy on Related Parties Transactions, Whistle Blower Policy, Policy against sexual harassment at workplace, Risk Management Policy, Nomination & Remuneration Policy, Code of Conduct for all Directors and Code of Ethics for Directors and Key Management Personnel.
9. Statutory Registers viz.-
 - I. Register of Directors & Key Managerial Persons
 - II. Register of Directors' Shareholding
 - III. Register of Members
 - IV. Register of Directors Attendance
 - V. Shareholders Attendance Sheet
10. Notice and Agenda papers submitted to all the Directors/Members for the Board Meetings and Committee Meetings.
11. Disclosures and Declarations received from the Directors & Key Managerial Personnel of the Company pursuant to the provisions of the Companies Act, 2013 and SECC Regulations, 2012 and SEBI (LODR) Regulations, 2015.
12. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013, and attachments thereof during the financial year.
13. Documents related to the Conduct of the General Meetings.
14. List of new members enrolled for Membership with the Exchange during the financial year and procedure followed by the company.
15. Intimations and documents/reports/return filed with SEBI from time to time.

ANNEXURE V

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U67120GJ2008PLC99142
2.	Registration Date	18/08/2008
3.	Name of the Company	INDIAN COMMODITY EXCHANGE LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company.
5.	Address of the Registered Office & Contact Details	1 st Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat- 395003. Tel. No : +91- 261-2609960/3009960
6.	Address of the Corporate Office & Contact Details	Reliable Tech Park, 403-A, B-Wing, 4 th Floor, Thane -Belapur Road, Airoli, Navi Mumbai – 400708. Tel. No.: +91-22-40381500, Fax No. : +91-22-40381511
7.	Whether listed company	Unlisted
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot Nos. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Telangana, India Tel: +91 40 3321 1500 Fax: +91 40 2300 1153 Toll Free No.: 1800 345 4001 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Exchange Operation.	66110	100%

III. PARTICULARS OF HOLDING ,SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change the during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	3,20,00,000		3,20,00,000	9.55%	3,20,00,000		3,20,00,000	9.55%	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	12,21,00,000	--	12,21,00,000	36.45%	12,21,00,000	--	12,21,00,000	36.45%	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A)	15,41,00,000	--	15,41,00,000	46.00%	15,41,00,000	--	15,41,00,000	46.00%	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	2,50,00,000	--	2,50,00,000	7.46%	2,50,00,000	--	2,50,00,000	7.46%	--
c) Central Govt.	2,68,00,000	--	2,68,00,000	8.00%	2,68,00,000	--	2,68,00,000	8.00%	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--

f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others: (co-operative society)	1,34,00,000	--	1,34,00,000	4.00%	1,34,00,000	-	1,34,00,000	4.00%	--
Sub-total (B)(1):-	6,52,00,000	--	6,52,00,000	19.46%	6,52,00,000	-	6,52,00,000	19.46%	--
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6,37,75,000	--	6,37,75,000	19.04%	6,87,75,000	--	6,87,75,000	20.53%	1.50%
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,19,25,000	--	5,19,25,000	15.50%	4,69,25,000	--	4,69,25,000	14.00%	(1.50%)
c) Others (specify)	--	--	--	--	--	--	--	--	--
Non Resident Indians	--	--	--	--	--	--	--	--	--
Overseas Corporate Bodies	--	--	--	--	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	11,57,00,000	--	11,57,00,000	35.54%	11,57,00,000	--	11,57,00,000	34.54%	--

Total Public Shareholding (B)=(B)(1)+ (B)(2)	18,09,00,000		18,09,00,000	54.00%	18,09,00,000	--	18,09,00,000	54.00%	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	33,50,00,000	--	33,50,00,000	100.00%	33,50,00,000	--	33,50,00,000	100.00%	--

B) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Indiabulls Housing Finance Limited	3,50,00,000	10.45%	---	3,50,00,000	10.45%	---	---
2.	MMTC Limited	3,20,00,000	9.55%	---	3,20,00,000	9.55%	---	---
3.	Reliance Exchangenext Limited	8,71,00,000	26%	---	8,71,00,000	26%	---	---

C) Change in Promoters' Shareholding:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
No Change					

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

1. Abhinay Trading Private Limited				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	2,80,00,000	8.36%	2,80,00,000	8.36%
No Change	-	-	2,80,00,000	8.36%
At the end of the year	2,80,00,000	8.36%	2,80,00,000	8.36%

2. Indian Potash Limited				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	2,68,00,000	8.00%	2,68,00,000	8.00%
No Change	-	-	2,68,00,000	8.00%
At the end of the year	2,68,00,000	8.00%	2,68,00,000	8.00%

3. Akhil Kumar Gupta				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1,67,50,000	5.00%	1,67,50,000	5.00%
No Change	-	-	1,67,50,000	5.00%
At the end of the year	1,67,50,000	5.00%	1,67,50,000	5.00%

4. Vijay Sharma				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1,67,50,000	5.00%	1,67,50,000	5.00%
No Change	-	-	1,67,50,000	5.00%
At the end of the year	1,67,50,000	5.00%	1,67,50,000	5.00%

5. Asian Star Company Limited				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1,67,50,000	5.00%	1,67,50,000	5.00%
No Change	-	-	1,67,50,000	5.00%
At the end of the year	1,67,50,000	5.00%	1,67,50,000	5.00%

6. Adventz Finance Private Limited				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1,50,00,000	4.48%	1,50,00,000	4.48%
No Change	-	-	1,50,00,000	4.48%
At the end of the year	1,50,00,000	4.48%	1,50,00,000	4.48%

7. Krishak Bharati Cooperative Limited				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1,34,00,000	4.00%	1,34,00,000	4.00%
No Change	-	-	1,34,00,000	4.00%
At the end of the year	1,34,00,000	4.00%	1,34,00,000	4.00%

8. IDFC Bank Limited				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1,00,00,000	2.99%	1,00,00,000	2.99%
No Change	-	-	1,00,00,000	2.99%
At the end of the year	1,00,00,000	2.99%	1,00,00,000	2.99%

9. NJ India Invest Private Limited				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	50,00,000	1.49%	50,00,000	1.49%
Acquired through transfer during the year	50,00,000	1.49%	1,00,00,000	2.99%
At the end of the year	1,00,00,000	2.99%	1,00,00,000	2.99%

10. Mr. Uday Suresh Shah				
Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	60,00,000	1.79%	60,00,000	1.79%
No Change	-	-	60,00,000	1.79%
At the end of the year	60,00,000	1.79%	60,00,000	1.79%

E) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	--	--	--	--
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
At the end of the year	--	--	--	--

F) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
Addition	--	--	--	--
Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		(MD & CEO)			
		Mr. Sanjit Prasad	--	--	--
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	100,00,000/-	--	--	100,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - - as % of profit - others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	Total (A)	100,00,000/-	--	--	100,00,000/-
	Ceiling as per the Act	As per The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.			

Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashok Sinha	Mr. R. K. Nair	Mr. V. K. Sharma	Mrs. D Vijayalakshmi	
						--
1	Independent Directors	--	-	--	--	--
	Fee for attending Board & Committee Meetings	2,30,000	2,40,000	2,00,000	1,40,000	8,10,000
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (1)	2,30,000	2,40,000	2,00,000	1,40,000	8,10,000
2	Other Non-Executive Directors	--	--	--	--	--
	Fee for attending Board & Committee Meetings	--	--	--	--	--
	Commission	--	--	--	--	--
	Others, please specify	--	--	--	--	--
	Total (2)	--	--	--	--	--
	Total (B)=(1+2)	2,30,000	2,40,000	2,00,000	1,40,000	8,10,000
	Total Managerial Remuneration	2,30,000	2,40,000	2,00,000	1,40,000	8,10,000
	Overall Ceiling as per the Act	₹ 1,00,000/- per director per meeting.				

B. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	*CS (Ameya Paranjape)	CFO (Ghanashyam V. Rao)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	13,60,107	47,50,920	61,11,027
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	Others, specify...	--	--	--	--
5.	Separation Benefits	--	--	--	--
	Total	--	13,60,107	47,50,920	61,11,027

CEO: Chief Executive Officer CS: Company Secretary CFO: Chief Financial Officer

* Mr. Ameya Paranjape, CS resigned w.e.f. 21.10.2017.

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Section 454 of The Companies Act, 2013 and rules thereunder.	Violation of section 12(1) of the Companies Act, 2013. i.e. Non-maintenance of Registered Office	Penalty of Rs. 13,000/- was imposed. The said penalty was paid immediately by the exchange.	Registrar of Companies and Adjudicating officer , NCT of Delhi & Haryana	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	Section 454 of The Companies Act, 2013 and rules thereunder.	Violation of section 12(1) of the Companies Act, 2013. i.e. Non-maintenance of Registered Office	Penalty of Rs. 13,000/- was imposed on the Managing Director and CEO of the Exchange. The said penalty was paid immediately by the Managing Director and CEO.	Registrar of Companies and Adjudicating officer , NCT of Delhi & Haryana	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	Section 454 of The Companies Act, 2013 and rules thereunder.	Violation of section 12(1) of the Companies Act, 2013. i.e. Non-maintenance of Registered Office	Penalty of Rs. 13,000/- each was imposed on the Chief Financial Officer and Company Secretary of the Exchange. The said penalty was paid immediately by Chief Financial Officer and Company Secretary.	Registrar of Companies and Adjudicating officer , NCT of Delhi & Haryana	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board of Directors

Place : Navi Mumbai
Date : November 1, 2018

J. J. Bhatt
Director
DIN: 08132347

Sanjit Prasad
MD & CEO
DIN: 03304097

ANNEXURE VI

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (appointment and remuneration of managerial personnel) Rules, 2014.

I. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2017-18, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sr. No.	Name of Director/KMP and Designation.	% increase (decrease) in Remuneration / Sitting Fees in the Financial Year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Ashok Sinha Public Interest Director	15.00%	0.33
2.	Mr. Ajit Mittal Shareholder Director	Not applicable	Not applicable
3.	Mr. Lav Chaturvedi Shareholder Director	Not applicable	Not applicable
4.	Mr. P. S. Gahlaut Shareholder Director	Not applicable	Not applicable
5.	Mrs. D. Vijayalakshmi Public Interest Director	18.18%	0.19
6.	Mr. R. K. Nair Public Interest Director	9.52%	0.33
7.	Mr. V. K. Sharma Public Interest Director	11.11%	0.28
8.	Mr. Sanjit Prasad Managing Director and Chief Executive officer	0.00%	Not applicable
9.	Mr. Ameya Paranjape Company Secretary (up to October 21, 2017)	0.00%	Not applicable
10.	Mr. Ghanashyam V. Rao Chief Financial Officer	6.00%	Not applicable

II. The percentage decrease in the median remuneration of employees in financial year 2017-18 as compared to previous year 2016-17 is 27.76%

III. There were 71 permanent employees on the rolls of Company as on March 31, 2018;

IV. There was an increase of 19.14% in the employee cost.

V. The total remuneration of Key Managerial Personnel increased by 17.38% from Rs.1.37 crore in 2016-17 to Rs. 1.61 crore in 2017-18. The Net Loss decreased by 10.03% from Rs.14.86 crore in 2016-17 to Rs.13.37 crore in 2017-18.

VI. Post-merger of NMCE with ICEX the net worth of the Company (including Exchange initial SGF contribution) as at March 31, 2018 was Rs. 209.70 crore and as at March 31, 2017 was Rs.123.95 crore.

- VII. The Exchange has increased its staff strength gradually from 52 as on March 31, 2017 to 71 as on March 31, 2018. There was a total increase of 30.82% in the salaries of employees other than the Key Managerial personnel in the last financial year as compared to a 17.38% increase in the Key Managerial remuneration.
- VIII. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.
- NIL and
- IX. It is hereby affirmed that the remuneration paid is as per the Compensation Policy for Directors and Key Managerial Personnel.

For and on behalf of the Board of Directors

**Place : Navi Mumbai
Date : November 1, 2018**

**J. J. Bhatt
Director
DIN: 08132347**

**Sanjit Prasad
MD & CEO
DIN: 03304097**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS OVERVIEW:

Indian Commodity Exchange Ltd. (“ICEX”) is a recognised Commodity Exchange regulated by Securities and Exchange Board of India (“SEBI”), having demutualised corporate structure, online trading, clearing and settlement with best international practices. It aims to fulfill the objectives of the National Agricultural Policy Statement declared by the Government of India in the year 2000 that the price discovery and risk management benefits of the commodity derivatives market should reach to the producers.

The Exchange after obtaining the approval to re-commence its trading operation from SEBI, started the trading operation from August 28, 2017 by launching the Diamond Derivative contract of 1 carat. ICEX is the first Exchange worldwide to launch the Diamond Derivative contract. Subsequently, it also launched the Diamond Derivative contract for 50 cents and 30 cents. -. The Exchange has also planned to introduce innovative contracts from time to time and keep its position as an innovative Exchange vis-à-vis its competitors.

The Boards of directors of ICEX and NMCE at their respective meetings held on June 30, 2017 approved the Scheme of Amalgamation of National Multi Commodity Exchange of India Limited (NMCE) with ICEX. Subsequently, the shareholders of both the Exchanges have also approved the Scheme of merger. The Hon’ble Bench of NCLT has sanctioned the amalgamation of NMCE with ICEX vide its order dated August 27, 2018. Both the Exchanges filed the certified copy of the order of NCLT with ROC on September 7, 2018 which was duly approved by ROC, Ahmedabad. Accordingly the effective date of merger of both the Exchanges is September 07, 2018.

The Exchange with the support of its well experienced management team has successfully setup its infrastructure and technology. Technology plays the key role in Exchange business. ICEX has tied up with leading technology provider Millennium IT, subsidiary of London Stock Exchange Group having its systems used by exchange businesses around the world. The Exchange has upgraded its trading software and is the first Exchange in India to implement a ‘Hot Site’ for ensuring Zero data loss. The system ensures automatic and seamless switch-over from its Data Center (DC) to the Disaster Recovery (DR) site with zero data loss in case of exigencies. The upgraded technology platform has advanced surveillance and risk management features at par with global best practices.

The Exchange is ideally positioned to leverage the huge potential of the commodities market and encourage participation of farmers, traders and actual users to benefit from price discovery, risk management and supply chain management in the commodity markets.

INDUSTRY STRUCTURE, OPPORTUNITIES, CONCERNS AND OUTLOOK:

There are over 50 commodity futures and options Exchanges worldwide that trade commodities, ranging from energy, metals, agriculture to livestock in many countries including the United States, China, Japan, Malaysia and the United Kingdom.

In India, there is currently three SEBI recognized electronic multi-commodity national exchanges, namely:

- Multi Commodity Exchange of India Limited (MCX)
- National Commodity and Derivatives Exchange Limited (NCDEX)
- Indian Commodity Exchange Limited (ICEX)

Favorable Government policies are going to give a big boost to the Commodity Exchange Industry in India. SEBI has also introduced Option trading in commodity derivatives.

Introduction of new indirect tax system “GST” will also help the market to grow as constraints like tax disparity will be removed, which in turn shall have a positive effect on the spot as well as the derivative market trading volumes.

FINANCIAL PERFORMANCE:

The Exchange resumed its trading operation from August 28, 2017, the merged entity earned a total income of ₹ 14.74 crore and a loss of ₹ 23.50 crores in FY 2017-18. The loss includes 1/5th writeoff of Goodwill amounting to ₹ 8.61 crores aroused on account of the merger and the balance Goodwill on Merger to the tune of ₹ 34.44 crore will be amortised over the next four years i.e. ₹ 8.61 crore per year. The net-worth as on March 31, 2018 was ₹ 209.70 crores (inclusive of SFG) as against the SEBI net-worth requirement of ₹ 100 crores.

EMPLOYEES - OUR ASSETS:

The Exchange has successfully built the core team and also been able to attract human resource with deep domain knowledge and experience in Exchange industry to further strengthen the departments. As on March 31, 2018 the Exchange has 108 employees. As a part of the strategy to improve operational efficiency, the Exchange regularly organizes in-house and external training programs for its employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company currently has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby further strengthens the controls.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company’s objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable

securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

For and on behalf of the Board of Directors

**Place : Navi Mumbai
Date : November 1, 2018**

**J. J. Bhatt
Director
DIN: 08132347**

**Sanjit Prasad
MD & CEO
DIN: 03304097**

CORPORATE GOVERNANCE REPORT

Indian Commodity Exchange Limited (“ICEX”) (“the Exchange”) is a Public Limited Company, the securities of which are not listed on any stock exchange. However pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (“SECC Regulations 2012”), Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange.

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company’s philosophy on Corporate Governance is to follow fair, ethical and transparent governance practices so as to achieve greater efficiency and effectiveness throughout the organization.

Your Company believes that Corporate Governance is a set of guidelines to help fulfill its responsibilities to all its stakeholders. It is a reflection of the Company’s culture, policies, relationship with stakeholders, commitment to values and ethical business conduct.

2. BOARD OF DIRECTORS:

A. Composition:

The composition of the Board is governed by applicable laws, rules, regulations, circulars and guidelines issued by SEBI from time to time.

The Board as on March 31, 2018 comprised of eight (8) Directors, of which three (3) were shareholder Directors, four (4) were Public Interest Directors, besides the Managing Director & CEO. The composition of the Board of Directors was as under:

Mr. Ashok Sinha	Chairman, Public Interest Director (PID)
Mr. Ajit Kumar Mittal	Shareholder Director (SHD)
Mrs. D Vijayalakshmi	Public Interest Director (PID)
Mr. Lav Chaturvedi	Shareholder Director (SHD)
Mr. P. S. Gahlaut	Shareholder Director (SHD)
Mr. R. K. Nair	Public Interest Director (PID)
Mr. V. K. Sharma	Public Interest Director (PID)
Mr. Sanjit Prasad	Managing Director and Chief Executive Officer (MD & CEO)

Mr. Ashok Sinha, Chairman & Public Interest Director, Mr. R. K. Nair, Public Interest Director and Mr. V. K. Sharma, Public Interest Director of the Company retired from the position of Public Interest Directors of the Board of the Company w.e.f. May 26, 2018 on successful completion of their term as Public Interest Directors.

Dr. H.K. Pradhan and Mr. J. J. Bhatt were appointed as Additional Directors to be Public Interest Directors w.e.f. May 26, 2018.

B. Attendance of Directors and Number of Directorships and Committee positions held:

During the financial year ended March 31, 2018, six (6) meetings of Board of Directors were held. The dates of the Board meetings were as under:

April 22, 2017, May 11, 2017, June 30, 2017, July 21, 2017, October 26, 2017 and January 25, 2018.

The attendance details and number of Directorships and committee positions held by the Directors as on March 31, 2018 are given below:

Sr. No.	Name of the Directors	Category	Attendance at Board Meetings during FY 2017-18		Whether attended last AGM held on 28.09.2017	No. of other Directorship(s)	Number of Committee positions held in other public companies	
			Held	Attended			Chairman	Member
1.	Mr. Ashok Sinha* (DIN: 00299600)	Chairman PID	6	6	Yes	2	2	2
2.	Mr. Ajit Mittal (DIN:02698115)	Shareholder Director	6	1	No	9	2	2
3.	Mrs. D Vijayalakshmi (DIN : 00467785)	Public Interest Director	6	6	No	Nil	Nil	Nil
4.	Mr. Lav Chaturvedi (DIN: 02859336)	Shareholder Director	6	2	No	6	Nil	4
5.	Mr. P. S. Gahlaut (DIN:00049401)	Shareholder Director	6	3	No	8	Nil	1
6.	Mr. R. K. Nair* (DIN:07225354)	Public Interest Director	6	6	No	7	Nil	3
7.	Mr. V. K. Sharma* (DIN:02051084)	Public Interest Director	6	6	No	3	Nil	1
8.	Mr. Sanjit Prasad (DIN : 03304097)	Managing Director & Chief Executive Officer	6	6	No	Nil	Nil	Nil

* Ceased to be Public Interest Director w.e.f. May 26, 2018.

Notes:

- All Directors except Mr. Sanjit Prasad, Managing Director and Chief Executive officer are non-executive Directors;
- All Public Interest Directors are Independent Directors;
- Above Directorship excludes Directorship in ICEX, Private Companies, Section 8 Companies and Companies Incorporated outside India;
- Memberships/ Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee of all Public Companies have been considered above;
- None of the Directors are related to each other;
- None of the Director hold any shares in the Company;
- The web link of Directors' familiarisation programme imparted to independent Directors is <http://www.icexindia.com/static/disclosures.aspx>.

C. CODE OF CONDUCT AND CODE OF ETHICS:

The Exchange has a well-defined Code of Conduct for its Board of Directors and a Code of Ethics for its Board of Directors and Key Management Personnel, as stipulated by SEBI.

D. FAMILIRISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The independent directors are familiarised with the Company, through various programmes. These include orientation programme upon induction of new directors, strategic presentations made to the Board where directors get an opportunity to interact with the senior management and also other initiatives to update directors on continuing basis. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available on our website at <http://www.icexindia.com/static/disclosures.aspx>. The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <http://www.icexindia.com/static/disclosures.aspx>.

3. COMMITTEES OF THE BOARD:

3.1. AUDIT COMMITTEE:

A. Composition, Meetings and Attendance:

This Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013, Regulation 35 of SECC Regulations, 2012 and Corporate Governance Norms (Regulation 18(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Committee met five (5) times during the year. The meetings were held on April 22, 2017, June 30, 2017, July 21, 2017, October 26, 2017 and January 25, 2018. The Chief Financial Officer and representatives of the Statutory Auditors are permanent invitees to the Audit Committee meeting. The Internal Auditors are also invited on case to case basis. The Company Secretary acts as the Secretary to the Committee.

The previous Annual General Meeting of the Company was held on September 28, 2017 and was attended by Mr. Ashok Sinha, Member of the audit committee who was duly authorised by the Chairman of the Audit Committee.

The details of the Composition and attendance of the members of the committee as on March 31, 2018 are listed below:

Members	Category	Number of Meetings during financial year 2017-18	
		Held	Attended
Mr. V K Sharma *	Chairman, Public Interest Director	5	5
Mr. Ashok Sinha*	Public Interest Director	5	5
Mr. Lav Chaturvedi	Shareholder Director	5	1
Mr. R K Nair*	Public Interest Director	5	5

*Ceased to be member of the committee w.e.f May 26, 2018.

Dr. H. K. Pradhan, Public Interest Director, Mr. J. J. Bhatt, Public Interest Director and Mrs. D. Vijayalakshmi, Public Interest Director were appointed as members of the Audit Committee w.e.f June 22, 2018.

Further, Dr. H. K. Pradhan was appointed as Chairman of the Committee w.e.f July 25, 2018.

B. Terms of Reference (TOR):

The terms of reference of the Audit Committee pursuant to Section 177 (4) of the Companies Act, 2013 read with Regulation 18 of Listing Regulations, 2015 inter-alia includes:

- To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- To review and monitor the auditors independence and performance and effectiveness of audit process;
- To examine financial statement and the auditor's report thereon;
- To approve or make any subsequent modification of transactions of the company with related parties;
- To scrutinize inter corporate loans and investments;
- To undertake valuation of undertakings or assets of the Company wherever it is necessary;
- To evaluate internal financial control and risk management systems;
- To monitoring the end use of funds raised through public offers and related matters.
- To oversee the Company's financial reporting process and the disclosure of its financial statements to ensure that the financial statement is correct, sufficient and credible;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review, with the management, the annual financial statements and auditor's report thereon before Submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013;
 - b) Any changes in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with any legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report;
- To review with the management, the quarterly financial statements before submissions to the Board;
- To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

- To review with the management, performance of statutory and internal auditors, adequacy of the internal systems;
- To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit;
- To discuss with internal auditors any significant findings and follow up thereon;
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- To approve the of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

The audit committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

3.2 NOMINATION AND REMUNERATION COMMITTEE:

A. Composition, meetings and attendance:

This committee has been constituted in line with the provisions of the section 178 of the Companies Act, 2013, Regulation 35 of SECC Regulations 2012 and Corporate Governance Norms (Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015).

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership develop and recommend policies with respect to composition of the Board, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, establish appropriate succession plans and determine overall compensation policies of the Company.

The Committee met once during the year. The meeting was held on January 25, 2018. The details of Composition and participation of the members at the meeting of the committee as on March 31, 2018 were as under:

Members	Category	Number of Meetings during financial year 2017-18	
		Held	Attended
Mr. Ashok Sinha*	Public Interest Director	1	1
Mr. Lav Chaturvedi	Shareholder Director	1	0
Mr. V. K. Sharma*	Public Interest Director	1	1
Mr. R K Nair**	Public Interest Director	1	1

*Ceased to be member of the committee w.e.f. May 26, 2018.

** Appointed as member of the Committee w.e.f January 25, 2018 and ceased to be member of the committee w.e.f. May 26, 2018.

Mrs. D. Vijayalakshmi, Dr. H. K. Pradhan and Mr. J. J. Bhatt were appointed as member of the Committee w.e.f. July 25, 2018.

B. Terms of Reference (TOR):

The Terms of Reference of the Nomination and Remuneration cum Compensation Committee of the Company pursuant to Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 inter-alia includes:

- To decide the remuneration to be paid to any member or prospective member of the Senior Management, as may be referred to it by the governing Board, in mutual consultation with such member or prospective member and in an objective manner, having regard to the interests of the Company and of its shareholders;
- To lay down the policy for compensation of Key Management Personnel (KMP) in terms of the compensation norms prescribed by SEBI.
- To determine the tenure of the KMPs to be posted to a regulatory department prescribed by SEBI;
- To formulate criteria for determining qualifications, positive attributes and independence of Director;
- To recommend to the Board policy relating to remuneration for Directors, KMPs and other employees;
- To identify persons who are qualified to be become Directors and who may be appointed in senior management in accordance with criteria laid down, recommend to the Board their appointment, removal.;
- To evaluate every Directors performance;
- To perform any other function as may be delegated by the Board.

C. Nomination and Remuneration Policy:

The Company has formulated the nomination and remuneration policy as per SECC Regulations and the Companies Act, 2013 for remunerating the Executive Directors, Non - Executive Directors, Senior Management Personnel, Key Managerial Personnel and the Employees. The policy is annexed to the Directors' report. The said Policy is directed towards rewarding performance, based on periodic review of achievements.

D. Performance Evaluation Criteria:

Pursuant to the provision of the Act and the SEBI regulation, the Board has carried out the annual evaluation of its own performance, as well as the performance of individual director and evaluation of the committees constituted under the Companies Act, 2013. A structured questionnaire was prepared after taking into consideration inputs received from directors covering various aspects of the Board's Functioning.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The Directors expressed their satisfaction with the evaluation process.

4. REMUNERATION OF DIRECTORS:

Non-Executive Independent Directors:

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees. The Company has not granted any stock options to any of its Non-Executive Directors and none of the Directors hold any shares in the Company. The Company pays Sitting Fees to its Non-Executive Independent Directors for attending Board Meeting and Committee Meetings. The sitting fees being paid is within the limit prescribed under the Companies Act, 2013.

The details of remuneration paid to the Non-Executive Independent Directors during the Financial Year 2017-2018 is as follows:

Name of the Director	Sitting Fee (₹)
Mr. Ashok Sinha	2,30,000
Mr. R. K. Nair	2,40,000
Mr. V. K. Sharma	2,00,000
Mrs. D. Vijayalakshmi	1,40,000

Executive Directors:

The details of remuneration paid to Managing Director & Chief Executive Officer during the financial year 2017-18 is as follows:

Name	Salary and Allowances*	Bonus	Perquisites	Total
Mr. Sanjit Prasad	1,00,00,000	Nil	Nil	1,00,00,000

* Includes Fixed Component: ₹ 1,00,00,000 & Performance Linked Incentives : Nil

Appointment of MD & CEO is governed by a service contract for a period of 3 (three) years and a notice period of 90 days.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As per Section 178 (5) of the Companies Act, 2013, the Board of Directors of the Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during the financial year shall constitute a Stakeholders Relationship Committee. Since the Company does not have more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders, the Company has not constituted the Stakeholders relationship Committee.

A. Name and Designation of Compliance Officer:

Mr. Ranjit Kumar Samantaray – Compliance Officer/Chief Regulatory Officer

B. Details of Shareholders complaints received and redressed during the year:

The Exchange had not received any complaints from its shareholders nor were there any unresolved complaints during the year.

6. Corporate Social Responsibility Committee:

Since the net-worth of the Exchange is not ₹500 crores or more or turnover is not ₹1000 crores or more or net profit is not ₹5 crores or more during preceding three financial years, provisions of section 135 of the Companies Act, 2013 with respect to constitution of Corporate Social Responsibility Committee are not applicable to the Exchange.

In addition to the above, the Company also has various other statutory Committees, viz.:

1. Membership Regulation Committee;
2. Trading and Surveillance committee;
3. Membership Selection Committee;
4. Disciplinary Action Committee;
5. Investor Grievance Redressal Committee;
6. Defaulters' Committee;
7. Standing Committee on Technology;
8. Sub Committee for Monitoring Compliances of suggestions given in SEBI inspection report;
9. Public Interest Directors' Committee;
10. Investor Services Committee;
11. Advisory Committee;
12. Ethics Committee;
13. Selection Committee;
14. Risk Management Committee; and
15. Oversight Committee for Product Design.

7. GENERAL BODY MEETINGS:

A. Details of Annual General Meetings held in last three years are as under:

Date & Time	Venue of the meeting	Special resolution(s) passed for
28.09.2017 11.30 A.M For FY 2016-17	Indian Commodity Exchange Limited 1 st Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	No Special Resolutions were passed.
26.09.2016 11.30 A.M For FY 2015-16	Conference Room, Indian Potash Limited, Postah Bhawan, 10B , Pusa Road, Rajendra Park, Rajinder Nagar, New Delhi - 110060.	1. Appointment of Mr. Sanjit Prasad as Managing Director and Chief Executive Officer ("MD & CEO") of the Company. 2. Increase in the Authorised Share Capital of the Company and consequent amendment to Clause V. of Memorandum of Association ("MOA") of the Company. 3. Adoption of new set of Articles of Association of the Company.
30.09.2015 11.30 A.M For FY 2014-15	Conference Room, 1 st Floor, Gulmohar Park, B-16, Near National Institute of Fashion Technology (NIFT) / Siri Fort Auditorium, New Delhi-110049.	No Special Resolutions were passed.

B. Details of Extra-Ordinary General Meetings held in last three years are as under:

Date & Time	Venue of the meeting	Special resolution(s) passed for
23.06.2017 11:00 A.M for FY 2017-18	Indian Commodity Exchange Limited, Reliable Tech Park, 403-A, B-Wing, 4 th Floor, Thane - Belapur Road, Airoli (E), Navi Mumbai - 400708.	Shifting of Registered Office of the Company from National Capital Territory (NCT) of Delhi to the State of Gujarat.
20.01.2016 5.00 P.M for FY 2015-16	Gulmohar Park, B-16, Near National Institute of Fashion Technology (NIFT) / Siri Fort Auditorium, New Delhi- 110049.	Amendment of Articles of Association (AoA).

C. Postal Ballot:

The Company has not passed any resolution by way of postal ballot during the financial year ended March 31, 2018 and no resolution is proposed to be conducted through postal ballot.

8. MEANS OF COMMUNICATION:

The Exchange disseminates all material information to its Shareholders through its website www.icexindia.com The Exchange's website: www.icexindia.com contains links to all important events and material information of the Exchange. The financials results, shareholding pattern, press releases, Annual Reports etc. appear on the Company's website.

GENERAL SHAREHOLDER INFORMATION:

Day, Date, Time and Venue of Annual General Meeting (2017-2018)	10 th Annual General Meeting. Saturday, December 22, 2018 at 11.30 a.m. Indian Commodity Exchange Limited Office No. 109, 1 st Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat - 395003.
Financial year	April 1, 2017 to March 31, 2018.
Dividend payment date	Not Applicable
Listing on Stock Exchanges	The securities of the Company are not listed on any Stock Exchanges.
Stock Market Code, Market Price Data and share price performance to broad based indices	Not Applicable as the securities of the Company are not listed on any stock exchanges.
Registrars & Share Transfer Agents	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot Nos. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Telangana, India Tel: +91 40 3321 1500 Fax: +91 40 2300 1153 Toll Free No.: 1800 345 4001 Email: einward.ris@karvy.com
Share transfer System	100% of equity shares of the Company are in demat mode. Transfer of these shares is done through depositories with no involvement of the Company.
Dematerialization of Shares and liquidity	As per regulation 46 of the SECC Regulations, 2012, the securities of a recognised stock exchange shall be in dematerialised form only. All the equity shares of the Company as on March 31, 2018 are in dematerialized (electronic) form. ISIN of the equity shares of the Company is INE678L01012 .
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.	Not applicable as the Exchange has not issued any GDRs/ADRs/Warrants or any Convertible instruments.
Commodity price risk or foreign exchange risk and hedging activities.	Not applicable.
Exchange operations are located at	Reliable Tech Park, 403-A, B-Wing, 4 th Floor, Thane - Belapur Road,

	Airoli, Navi Mumbai 400708.
Address for Correspondence	Reliable Tech Park, 403-A, B-Wing, 4th Floor, Thane - Belapur Road, Airoli, Navi Mumbai 400708. Tel. No : +91-22-40381500 Fax No. : +91-22-40381511

9. Distribution of Shareholding as on March 31, 2018:

Sr.no.	Category	Shareholders		Shares held	
		No. of	% of Total	No. of shares	% of Total
1	Up to 1 - 5000	0	0	0	0
2	5001 - 10000	0	0	0	0
3	10001 - 20000	0	0	0	0
4	20001 - 30000	0	0	0	0
5	30001 - 40000	0	0	0	0
6	40001 - 50000	0	0	0	0
7	50001 - 100000	0	0	0	0
8	100001 & Above	21	100	33,50,00,000	100
	Total	21	100	33,50,00,000	100

Shareholding Pattern as on March 31, 2018:

Sr. No	Category	No of Shareholders	No. of shares held	% of shareholding
(A)	PROMOTER AND PROMOTER GROUP	3	15,41,00,000	46.00
(B)	PUBLIC SHAREHOLDING	-	-	-
(a)	Financial Institutions / Banks	2	2,50,00,000	7.46
(b)	Bodies Corporate	7	9,55,75,000	28.53
(c)	Individuals	8	46,92,5000	14.01
(d)	HUF	-	-	-
(e)	Trusts	-	-	-
(f)	Non-Resident Indian	-	-	-
(g)	Others	1	1,34,00,000	4.00
	Total B	18	18,09,00,000	54.00
	Total (A+B)	21	33,50,00,000	100.00

10. Other Disclosures:

A. Disclosures on materially significant related party transactions:

The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. The Related Party Transactions Policy is hosted on the website of the Company and can be accessed at <http://www.icexindia.com/static/disclosures.aspx>. Further the Company does not have any subsidiary Company and hence policy on determining material subsidiaries is not adopted.

B. Penalties or strictures imposed on the Company by SEBI or any statutory authority, on any matter related to the capital markets during the last three years:

Pursuant to SEBI circular Ref. No. CIR/CDMRD/DEA/03/2015 dated November 26, 2015, the Exchange has to transfer its Clearing and Settlement (C&S) functions to a separate Clearing Corporation by September 27, 2018.

In view of the same, SEBI vide its letter dated December 26, 2017 had advised the Exchange that, if the aforesaid provision of SEBI circular is not complied within the prescribed time, then the Exchange shall not launch any contract expiring beyond September 28, 2018.

However, on compliance of the said provision, the restriction of not to launch any contract expiring beyond September 28, 2018 has been withdrawn by SEBI vide its letter dated July 3, 2018.

C. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:

As required under Regulation 22 of the Listing Regulations & Section 177(10) of the Act, the Company has formulated a vigil mechanism for Directors and employees to report their genuine concerns. The Company has a Whistle Blower Policy to deal with instances involving malpractices, violation of law of the land, abuse of power, financial irregularities, etc., if any. The policy is hosted on the website of the Company and can be accessed at <http://www.icexindia.com/static/disclosures.aspx> under the other disclosures tab. Further, the Company confirms that no personnel have been denied access to the Audit Committee.

11. Management Discussion and Analysis Report:

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of Directors Report.

12. CEO Certification:

The Certificate from CEO as required under Part D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 containing declaration as to affirming compliance with the Code of Conduct, under SECC Regulations, 2012 for the financial year 2017-18 is attached at the end of this report.

13. Practicing Company Secretary's certificate on Corporate Governance:

The Practicing Company Secretary's certificate regarding the compliance of conditions of Corporate Governance is attached at the end of this report.

14. Details of Compliance with mandatory and discretionary requirement:

As per regulation 35 of SECC Regulations, 2012, the disclosure requirements and corporate governance norms as applicable to a listed entity are mutatis mutandis applicable to a recognized stock exchange. The Company has complied with the applicable mandatory requirements of Listing Regulation unless stated otherwise.

The Company has complied with the following discretionary requirements:

- a) The Internal Auditor of the Company reports directly to the Audit Committee.
- b) Separate posts of Chairman and CEO: The Company has separate posts of the Chairman and CEO.

For and on behalf of the Board of Directors

Place : Navi Mumbai
Date : November 1, 2018

J. J. Bhatt
Director
DIN: 08132347

Sanjit Prasad
MD & CEO
DIN: 03304097

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS WITH THE CODE OF CONDUCT:

I hereby confirm that the Company has obtained from all the members of the Board, affirmation that they have complied with the Code of Conduct for Directors for the financial year 2017-18.

Sanjit Prasad
Managing Director & CEO
DIN : 03304097

Date : July 25, 2018
Place: Mumbai

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION:**

The Board of Directors,
Indian Commodity Exchange Limited.

Dear Members of the Board,

We, Mr. Sanjit Prasad, Managing Director and Chief Executive Officer and Mr. Ghanashyam V Rao, Chief Financial Officer of Indian Commodity Exchange Limited, to the best of our knowledge and belief, certify that:

A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company, pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

- (1) Significant changes in internal control over financial reporting during the period;
- (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Mr.Ghanashyam V Rao
Chief Financial Officer

Mr.Sanjit Prasad
Managing Director and CEO.

September 25, 2018
Mumbai

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:

**To the Members,
Indian Commodity Exchange Limited**

We have examined the compliance of conditions of Corporate Governance by Indian Commodity Exchange Limited (hereinafter “the Company”), for the year ended March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company’s management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015, to the extent practical and applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. G. S. Shetty & Associates
Practising Company Secretaries**

**CS. Ganesha Sanjeeva Shetty
Proprietor
M.No.: F7904
COP : 7729**

Date: July 17, 2018
Place: Mumbai.

Independent Auditors' Report

To the Members
Indian Commodity Exchange Limited

I. Report on the Financial Statements

We have audited the attached Special Purpose Financial Statements of **Indian Commodity Exchange Limited** (hereinafter referred to as the Company), comprising of the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended along with the Significant Accounting Policies and other explanatory information forming an integral part thereof, consequent to its merger with National Multi Commodity Exchange of India Ltd.(collectively known as Special Purpose Financial Statements).

II. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 (hereinafter referred to as the Act), read with Rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

III. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

IV. **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its Loss and its cash flows for the year ended on that date.

V. **Other matters**

1. The Hon'ble National Company Law Tribunal ("NCLT") has sanctioned the amalgamation of National Multi-Commodity Exchange of India Limited ("NMCE") with the Company, vide its order dated August 27, 2018. Both the Exchanges have filed certified copy of the Order of NCLT in e-form INC-28 with ROC on September 7, 2018. Accordingly, the said amalgamation was effective from September 07, 2018.
2. We did not audit the financial statements and other financial information, in respect of NMCE, whose financial statements include Total Assets of Rs. 90.27 Crore as at 31 March 2018, Total Revenues of Rs 7.80 Crore and Net Cash inflows of (Rs.1.15 Crores) for the year ended on that date. These Financial Statements and other financial information have been audited by M/s. Haribhakti & Co. LLP, which Financial Statements, Other Financial Information and Auditor's Reports dated 4th September 2018 have been furnished to us by the Management. The said Auditors have expressed the following matter of emphasis.

Emphasis of matter

- (a) Note No. 23(a) relating to order passed by Forward Markets Commission (FMC) on July 23, 2011 on various allegations against the then Managing Director (MD) and later Executive Vice Chairman of the Company. The management is of the view that since matters relating to above irregularities are sub judice, any further adjustments/disclosures to the financial statements, if required, would be made in the financial statements of the Company as and when the outcome of the above uncertainties is known and the consequential adjustments/disclosures are identified.

- (b) Note No. 28 relating to identification of related parties as required under AS 18 – Related Party Disclosures has been done by the management based on available information. We are unable to comment on the completeness/correctness of the above referred details in the absence of information of shareholding and related party information.

Our opinion is not modified in the above matter.

VI. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the **Annexure-1** a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable to the Company during the year under review.
2. Further to our comments in the Annexure referred to in 1. above, as per the requirements of Section 143(3) of the Act, we report as follows:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the respective directors as on 31st March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
 - (f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure -2**;
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:
 - i) the Company does not have any pending litigations which would impact its financial position;
 - ii) the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

- iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- VII. (i) This report is issued at the specified request of the company pursuant to honorable National Company Law Tribunal's Order dated 27th August 2018;
- (ii) The merged Financial Statement have been prepared by the Company for the purpose of filing the Income Tax Returns of the Company as a Merged entity and for presenting to the stakeholders the financial impact, considering the Effective Date (1st April 2017);
- (ii) We have issued a separate report on the Standalone Financial Statements of the Company (pre-merger) vide our Report dated 25th April 2018.

For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

Chintan Shah
Partner
Membership No. 166729

Mumbai, dated 25th September, 2018

Annexure - 1 to the Auditors' Report
(Referred to in paragraph V(1) of our report of even date)

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks as we considered appropriate, we further report as under:

1. **Fixed Assets**

The Company has maintained proper records in respect of its fixed assets. Based on the physical verification reports produced before us, in our opinion, the said assets have been physically verified by the management at phased manner. We were explained that no discrepancies were noted upon the comparison of the physical balances with the books of the Company. The Company does not own/hold any immovable property during the year under review.

2. **Inventory**

There was no inventory with the Company at any time during the year.

3. **Loans to parties of Directors' interest**

During the year, the Company has not granted any loans, secured or unsecured to the parties covered in the register maintained under Section 189 of the Act.

4. **Loans/Guarantees/Investments in / Provision of Security to certain parties**

As per the records of the Company, during the year, the Company has not given any loans /guarantees to or made any investments or provided any security within the purview of the Sections 185 and 186 of the Act.

5. **Acceptance of Deposits**

According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

6. **Maintenance of Cost Records**

As explained to us, maintenance of cost records has not been prescribed by the Central Government for the Company under Section 148(1) of the Act.

7. **Undisputed & Disputed Statutory Dues**

(a) According to the information and explanations given to us and as per the records verified by us, the Company has been regular in depositing undisputed statutory dues involving Income Tax, Provident Fund dues, Professional Tax, Value Added Tax, Service Tax and the Goods & Services Tax, with the appropriate authorities and there were no arrears under the above heads which were due for more than six months from the date they become payable as at the close of the year. Keeping in view the present operations of the Company, statutes relating to Employees' State Insurance, Sales-tax, Custom Duty, Excise Duty and Cess are not applicable to the Company during the year under review.

- (b) According to the information and explanations given to us, according to the books and records examined by us, the particulars of dues of income tax as at 31st March 2018 which has not been provided in the books of the Company, as follows:

Name of the statute	Nature of dues	Amount as per the order (Rs.)	Amount paid (Rs.)	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2011-12	Rs. 27.72 Cr	Nil	Income Tax Appellate Tribunal (CIT)
	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2012-13	Rs. 5.02 Cr	Nil	Income Tax Appellate Tribunal (CIT)
	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2013-14	Rs. 3.74 Cr	Nil	Commissioner of Income Tax (Appeals) (CIT)

8. **Loans from Banks/Financial Institutions/ Government/Debentures**

As per the records verified by us, the Company has not availed any loan/facility from banks/financial institutions/Government and hence the question of default in repayment of the same does not arise. Further, no amounts were borrowed by the Company through Debentures.

9. **Proceeds of Public issue (including debt instruments)/Term Loans**

The Company has not raised any money during the year through initial / further public offer (including debt instruments). Also, the Company has not availed any term loans during the current or earlier years and hence the matter of application of the same doesn't arise.

10. **Frauds on or by the Company**

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company or its officers, noticed or reported during the year, nor have we been informed of such case by the management.

11. **Managerial Remuneration**

In our opinion, the Company has paid Managerial remuneration within the meaning of Section 197 read with Schedule V to the Companies Act, 2013 during the year under review.

12. **Nidhi Companies**

The Company is not a Nidhi company during the year under review and hence, the criteria as stipulated under Nidhi Rules 2014 are not applicable to the Company.

13. **Related Party Transactions**

As per the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the Company were in compliance with Sections 177 and 188 of the Act, to the extent applicable to the Company during the year. The relevant details in respect of the same have been appropriately disclosed as per the requirements of the Accounting Standard.

14. **Preferential Issue**

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence the requirements of Section 42 of the Act are not applicable.

15. **Non-cash Transactions with Directors, etc.**

As per the information and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of Section 192 of the Act are not applicable.

16. **Provisions of 45-IA of the Reserve Bank of India Act,1934**

As per the information and explanations provided to us and based on the overall operations of the Company, during the year, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

Chintan Shah
Partner
Membership No. 166729

Mumbai, dated 25th September 2018

Annexure-2 to the Independent Auditor's Report of even date on the financial statements of Indian Commodity Exchange Ltd.

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Indian Commodity Exchange Ltd.**("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company comprising of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting :

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, subject to a few areas in which improvement, as discussed and agreed with the management, is required, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

Chintan Shah
Partner
Membership No. 166729

Mumbai, dated 25th September, 2018

Indian Commodity Exchange Limited

Balance Sheet as at March 31, 2018

	Note No.	As at March 31, 2018 Amount (₹)	As at March 31, 2017 Amount (₹)
I. Equity and Liabilities			
(1) Shareholders' funds			
(a) Share Capital	3	1,67,50,00,000	1,67,50,00,000
(b) Share Capital Suspense	3.1	99,25,37,380	-
(c) Reserves and Surplus	4	(77,05,12,875)	(53,54,99,263)
(2) Settlement Guarantee Fund	5	30,88,40,319	10,34,95,805
(3) Non-current Liabilities			
Long-term Provisions	6	29,48,515	29,08,053
(4) Current Liabilities			
(a) Trade Payables	7	24,90,214	51,95,365
(b) Other Current Liabilities	8	15,98,88,656	1,49,18,056
(c) Short-term Provisions	9	4,05,31,872	7,04,86,052
Total		<u>2,41,17,24,081</u>	<u>1,33,65,04,068</u>
II. Assets			
(1) Non-current assets			
(a) Fixed Assets	10		
(i) Tangible Assets		11,84,07,303	1,70,70,940
(ii) Intangible Assets		44,90,90,045	1,04,01,948
(b) Long Term Loans and Advances	11	27,45,200	25,91,200
(2) Current assets			
(a) Current Investments	12	1,19,05,59,856	81,80,96,447
(b) Trade Receivables	13	41,12,736	-
(c) Cash and Bank Balances	14	47,84,56,184	35,79,13,446
(d) Short-term Loans and Advances	15	13,79,05,506	11,98,33,261
(e) Other Current Assets	16	3,04,47,251	1,05,96,826
Total		<u>2,41,17,24,081</u>	<u>1,33,65,04,068</u>

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

**For and on behalf of the Board of Directors of
Indian Commodity Exchange Limited**

Chintan Shah
Partner
Membership No. 166729

Dr. Hemant K Pradhan
Chairman
DIN:02607244

Sanjit Prasad
Managing Director and Chief
Executive Officer
DIN: 03304097

Mumbai, September 25, 2018

Ghanashyam V. Rao
Chief Financial Officer

Shweta Gujar
Company Secretary

Indian Commodity Exchange Limited
Statement of Profit and Loss for the year ended March 31, 2018

	Note No.	For the year ended March 31, 2018 Amount (₹)	For the year ended March 31, 2017 Amount (₹)
I. Income			
Revenue from Operations	17	3,50,40,210	1,30,26,702
Other Income	18	11,23,62,753	3,01,12,920
Total Revenue		14,74,02,963	4,31,39,622
II. Expenses			
Operating Costs	19	4,83,78,013	7,14,62,286
Employee benefit expenses	20	12,44,43,479	6,85,14,948
Financial Costs	21	58,265	96,859
Depreciation	10	11,53,50,880	54,78,177
Other Expenses	22	8,89,32,809	4,61,71,673
Total Expenses		37,71,63,446	19,17,23,943
III. Profit / (loss) before prior period, exceptional and extraordinary items and tax (I-II)		(22,97,60,484)	(14,85,84,321)
IV. Prior Period Items		-	-
V. Profit/ (loss) before exceptional and extraordinary items and tax (III-IV)		(22,97,60,484)	(14,85,84,321)
VI. Exceptional items		-	-
VII. Profit / (loss) before extraordinary items and tax (V-VI)		(22,97,60,484)	(14,85,84,321)
VIII. Extraordinary items		-	-
IX. Profit / (loss) before tax (VII-VIII)		(22,97,60,484)	(14,85,84,321)
X. Tax expense		-	-
- Deferred tax (expense) /credit		(52,53,128)	-
XI. Profit / (loss) for the year (IX-X)		(23,50,13,612)	(14,85,84,321)
Earnings per Share - Basic (₹)	31	(0.70)	(0.58)
- Diluted (₹)		(0.44)	(0.58)
Face Value Per Share (₹)		5.00	5.00

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

**For and on behalf of the Board of Directors of
Indian Commodity Exchange Limited**

Chintan Shah
Partner
Membership No. 166729

Dr. Hemant K Pradhan
Chairman

DIN:02607244

Sanjit Prasad
Managing Director and Chief
Executive Officer
DIN: 03304097

Mumbai, September 25, 2018

Ghanashyam V. Rao
Chief Financial Officer

Shweta Gujar
Company Secretary

Cash Flow Statement for the year ended March 31, 2018

	For the year ended March 31, 2018 Amount (₹)	For the year ended March 31, 2017 Amount (₹)
A Cash flows from operating activities :		
Profit / (loss) before prior period, exceptional and extraordinary items and tax	(23,50,13,612)	(14,85,84,321)
Adjustments for:		
Depreciation	11,53,50,880	54,78,177
Provision of employee retirement benefits	1,15,13,796	23,32,316
Interest income on fixed deposits	(1,59,14,097)	(2,16,89,147)
Profit on disposal of fixed assets	(3,15,569)	-
Dividend on units of mutual funds	-	(19,87,681)
Contribution to Investor Service Fund	-	-
Excess provisions written back	1,55,14,075	(9,54,494)
Profit on redemption of units of mutual funds	(7,89,15,445)	(87,67,257)
Operating Profit / (loss) before working capital changes	(18,77,79,971)	(17,41,72,407)
Working capital changes:		
Adjustments for (increase) / decrease in operating assets		
Non-current assets		
Long Term Loans and Advances	(1,54,000)	(3,56,800)
Current assets		
Current Investments	(37,24,63,409)	(81,80,96,447)
Trade Receivables	(41,12,736)	-
Short-term Loans and Advances	28,60,556	(3,29,11,304)
Other Current Assets	(1,98,50,425)	20,49,946
Adjustment for increase in Settlement Guarantee Fund	20,53,44,514	34,95,805
Adjustments for increase / (decrease) in operating liabilities		
Non-current liabilities		
Long-term Provisions	40,462	-
Current Liabilities		
Trade Payables	(27,05,151)	2,91,287
Other Current Liabilities	13,34,56,804	(1,12,53,511)
Short-term Provisions	(4,54,68,255)	85,84,840
Cash generated from / (used in) operations	(29,08,31,611)	(1,02,23,68,591)
Taxes paid	(2,09,32,801)	(5,67,776)
Net cash generated from / (used in) operating activities	(31,17,64,412)	(1,02,29,36,367)
B Cash flows from investing activities		
(Purchase) / Sale of fixed assets (net)	(65,50,59,771)	(2,85,98,500)
Interest received on fixed deposits	1,59,14,097	1,29,60,749
Dividend received on units of mutual funds	-	19,87,681
Fixed deposit receipt with original maturity for more than 12 months	15,17,35,913	(23,12,35,026)
Proceeds from redemption of units of mutual funds (net)	7,89,15,445	87,67,257
Net cash generated from / (used in) investing activities	(40,84,94,316)	(23,61,17,839)
C Cash flows from financing activities		
Share application money	-	(25,00,00,000)
Equity share suspense	99,25,37,380	-
Equity share capital and premium on equity share	-	1,35,00,00,000
Net cash generated from / (used in) financing activities	99,25,37,380	1,10,00,00,000
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	27,22,78,651	(15,90,54,206)
E Cash and cash equivalents at the beginning of the year	10,29,13,446	26,19,67,652
F Cash and cash equivalents at the close of the year (D + E)	37,51,92,097	10,29,13,446

Note :

1 The above cash flow statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS) - 3 'cash flow statements' notified under the Companies (Accounting Standards) Rules, 2006, as amended.

Indian Commodity Exchange Limited

Cash Flow Statement for the year ended March 31, 2018 (continued)

	For the year ended March 31, 2018 Amount (₹)	For the year ended March 31, 2017 Amount (₹)
<u>Note :</u>		
2 Cash and cash equivalents as at the close of the year comprise:		
Cash and Bank Balances (Refer note 14)		
Cash on Hand	26,334	15,295
Balances with scheduled banks		
In Current Accounts	70,12,559	30,98,151
In Fixed Deposit Accounts with original maturity of less than three months	36,81,53,204	9,98,00,000
Cash and cash equivalents	<u>37,51,92,097</u>	<u>10,29,13,446</u>
In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months	10,32,64,087	25,50,00,000
	<u>47,84,56,184</u>	<u>35,79,13,446</u>

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

**For and on behalf of the Board of Directors of
Indian Commodity Exchange Limited**

Chintan Shah
Partner
Membership No. 166729

Dr. Hemant K Pradhan
Chairman
DIN:02607244

Sanjit Prasad
Managing Director and Chief
Executive Officer
DIN: 03304097

Mumbai, September 25, 2018

Ghanashyam V. Rao
Chief Financial Officer

Shweta Gujar
Company Secretary

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

1. Corporate Information

Indian Commodity Exchange Limited ("ICEX" or "The Company" or "The Exchange") regulated by Securities and Exchange Board of India ("SEBI") is a deemed Recognised Stock Exchange under the SCRA, 1956 in terms of Section 131[B] of Finance Act, 2015 pursuant to the Central Government notification dated August 28, 2015 providing a nation-wide on-line trading platform in commodity derivatives. On July 7, 2017 the Exchange received approval from SEBI to recommence its trading operation. On August 28, 2017 the Exchange launched world's first Diamond Derivative Contract. The Exchange has launched trading of 1 carat diamond, 50 cents and 30 cents contracts. The Exchange successfully completed 5 delivery cycles in the FY 2017-18.

The Hon'ble National Company Law Tribunal ("NCLT") has sanctioned the amalgamation of National Multi-Commodity Exchange of India Limited ("NMCE") with ICEX vide its Order dated August 27, 2018. Both the Exchanges have filed certified copy of the order of NCLT in e-form INC-28 with ROC on September 7, 2018. Accordingly, the said amalgamation was effective from September 07, 2018.

NMCE is India's first De-mutualised Electronic Multi-Commodity Exchange providing on-line screen based Futures Trading with VSAT and lease line connectivity throughout India.

2. Summary of Significant Accounting Policies:

a) Basis of accounting and preparation of financial statements:

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and in compliance with Accounting Standards (AS) as notified under the Companies (Accounting Standards) Rules, 2006, as amended. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of Estimates:

The presentation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized

c) Tangible assets:

Tangible assets are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and impairment losses, if any. Cost includes cost of acquisition including incidental expenses related to the acquisition and installation of the respective assets.

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss as and when the asset is derecognised.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

d) Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The Goodwill arising on Merger is amortised and is tested for impairment if indicators of impairment exist. The same is amortised over a period of five years in equal annual instalments.

Technical knowhow for obtaining various technical contracts for development and implementation of systems on the Exchange are considered as intangible assets in accordance with Accounting Standard 26 "Intangible Assets" issued by The Institute of Chartered Accountants of India and are amortized on a Straight Line Basis for a period of five years or as mentioned in any specified agreement, whichever is less, which is management's estimate of its useful life.

e) Depreciation on assets

Depreciation on tangible assets is provided as per the manner prescribed in Schedule II to The Companies Act, 2013. Leasehold improvements are depreciated over the unexpired period of respective leases.

Depreciation on additions / deletions to tangible assets is provided on pro-rata basis from / till the date the asset is put to use / discarded. Individual assets costing less than ₹ 5,000/- are fully depreciated in the year of purchase.

Intangible assets are amortised on a straight line basis over the estimated useful economic life, from the date the assets are available for use.

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

f) Impairment of Assets:

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the re-assessed recoverable amount. Impairment losses previously recognised are accordingly reversed.

g) Investments:

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried in the financial statements at lower of Cost and Fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

h) Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Admission Fees collected from new members for joining the Exchange are recognized once the membership is approved by membership committee. Processing and other fees collected from members are recognized on receipt basis.

(ii) Revenue from Transaction fees is determined based on underlying trades and are accrued on the trade date of the underlying transactions.

(iii) Income from Annual Subscription Fee and other membership charges are recognised on accrual basis.

(iv) Income from Connectivity charges is recognised on accrual basis over the period during which connectivity services are provided to the members of the Exchange.

(v) Interest income is recognised on accrual basis.

(vi) Dividend income on units of Mutual Funds is recognised when the right to receive dividend is unconditionally established by the reporting date.

(vii) Profit / loss on sale of investments are recognised as the difference between the sale proceeds and the carrying amount of investments.

(viii) Income from Penalty charges, to the extent permissible to be retained by the Company, is recognised as income, on accrual basis.

(ix) VSAT usage charges are recognised as revenue and recovered by adjusting VSAT deposits, collected from the members, at the predetermined rates from the date of activation of VSAT to the date of VSAT surrender / deactivation.

(x) Others - all other revenue is recognised in the period in which the service is provided.

i) Foreign Currency Transactions:

(i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Foreign currency monetary items are converted at the year end to the reporting currency using the closing rates at the reporting date. Non monetary items which are carried at historical cost denominated in foreign currency are reported at cost using the exchange rate as at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences:

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or expense in the year in which they arise except those arising from non-integral operations.

Exchange differences arising on a monetary item that in substance forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or expense.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

j) Taxes on Income:

Taxes on income are accounted for in accordance with Accounting Standard 22 "Accounting for Taxes on Income", (AS 22). Tax expense comprises of current tax and deferred tax.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax / substantively enacted tax rates as on the Balance Sheet date, to the extent that the timing differences are expected to crystallise.

Deferred Tax Assets are recognised where realisation is reasonably certain, whereas, in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognised only if there is virtual certainty of realisation supported with convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

Minimum Alternate Tax (MAT) provided in a year is charged to the Statement of Profit and Loss as current tax. The Company (NMCE) recognizes the MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay the normal income tax during the specified period i.e., period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes the MAT credit as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period

k) Borrowing Cost:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of the asset. All other borrowing costs are charged to revenue.

l) Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent liability is disclosed for:

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.
- (iii) Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

m) Earnings per share

In determining basic earnings per share, the Company considers the net profit / (loss) after tax and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

n) Employee Benefits:

The Company's contribution to Provident Fund is charged to the Statement of profit and loss for the year when the contributions are due. The Company (ICEX) has unfunded defined benefit plans namely, Compensated Absences and Gratuity for all the employees, the liability for which is determined on the basis of actuarial valuation on yearly basis using Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in Statement of Profit and Loss.

Actuarial gains and losses for both defined benefit plans are recognised in full in the period in which they occur in the Statement of Profit and Loss.

o) Leases:

In case of operating lease, the lease rentals are charged to the Statement of profit and loss in accordance with Accounting Standard (AS) 19 – Leases as notified by the Companies (Accounting Standards) Rules, 2006.

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Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

	As At March 31, 2018 Amount (₹)	As At March 31, 2017 Amount (₹)
3 Share Capital		
<u>Authorised:</u>		
35,00,00,000 (Previous Year: 35,00,00,000) Equity Shares of face value of ₹ 5/- each	1,75,00,00,000	1,75,00,00,000
<u>Issued, subscribed and paid up:</u>		
33,50,00,000 (Previous Year: 33,50,00,000) Equity Shares of face value of ₹ 5/- each	1,67,50,00,000	1,67,50,00,000
Total issued, subscribed and fully paid-up share capital	1,67,50,00,000	1,67,50,00,000

3.1 Share Capital Suspense

Share Capital Suspense	99,25,37,380	-
	99,25,37,380	-

i) 19,85,07,476 Equity shares of ₹ 5 each to be allotted to the shareholders of erstwhile National Multi Commodity Exchange of India Limited in terms of scheme of Amalgamation sanctioned by Hon'ble National Company Law Tribunal ("NCLT") vide its order dated August 27, 2018. Both the Exchanges have filed certified copy of the order of NCLT in e-form INC-28 with ROC on September 7, 2018. Accordingly, the said amalgamation was effective from September 07, 2018.

ii) Pursuant to the Scheme of Amalgamation of erstwhile National Multi Commodity Exchange of India Limited (NMCE) with the Indian Commodity Exchange Limited (ICEX) as sanctioned by the NCLT, the assets and liabilities of the erstwhile NMCE were transferred to and vested in the company with retrospective effective from April 1, 2017. The Scheme has accordingly been given effect to in these accounts.

iii) The Amalgamation has been accounted as prescribed by the Accounting Standard (AS-14). Accordingly, the assets and liabilities of the erstwhile NMCE as at April 1, 2017 have been taken at their book values as specified in the Scheme of Amalgamation clause no 2.3. Accordingly, ₹ 43,03,99,082 has been debited to Goodwill during the year.

iv) In terms of the Scheme of Amalgamation, pending allotment, an amount of ₹ 99,25,37,380 has been shown under the Share Capital Suspense a/c as at 31st March, 2018.

v) Authorised capital is proposed to be increased to 53,60,00,000 Equity shares of ₹ 5 each, aggregating to ₹ 2,68,00,00,000 upon scheme being effective.

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Shares outstanding at beginning of the reporting period	33,50,00,000	1,67,50,00,000	20,00,00,000	1,00,00,00,000
Shares Issued during the year	-	-	13,50,00,000	67,50,00,000
Shares Outstanding at end of the reporting period	33,50,00,000	1,67,50,00,000	33,50,00,000	1,67,50,00,000

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of Shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 5 each fully paid up				
Shareholders having more than 5 % shares in the Company are as follows:				
Reliance Exchangenext Limited	8,71,00,000	26.00%	8,71,00,000	26.00%
Indiabulls Housing Finance Limited	3,50,00,000	10.45%	3,50,00,000	10.45%
MMTC Limited	3,20,00,000	9.55%	3,20,00,000	9.55%
Abhinay Trading Private Limited	2,80,00,000	8.36%	2,80,00,000	8.36%
Indian Potash Limited	2,68,00,000	8.00%	2,68,00,000	8.00%

As per records of the Company, including its register of members/shareholders, and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d. Details of Shareholders holding more than 5% shares in the Company (Post Merger)

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 5 each fully paid up				
Shareholders having more than 5 % shares in the Company are as follows:				
Reliance Exchangenext Limited	8,71,00,000	16.33%	8,71,00,000	26.00%
Central Warehousing Corporation	5,89,63,956	11.05%	-	0.00%
Deputy Director (PMLA), Directorate of Enforcement, Ahmedabad	4,82,09,060	9.04%	-	0.00%
Indiabulls Housing Finance Limited	3,50,00,000	6.56%	3,50,00,000	10.45%
MMTC Limited	3,20,00,000	6.00%	3,20,00,000	9.55%
Indian Potash Limited	2,80,00,000	5.02%	2,68,00,000	8.00%

- e. MMTC by its petition dated October 21, 2011 has filed a case against Indiabulls Financial Services Limited (name changed to Indiabulls Housing Finance Limited), Reliance Exchangenext Limited and Indian Commodity Exchange Limited with Company Law Board (Replaced by National Company Law Tribunal "NCLT" w.e.f June 1, 2016). In the said petition MMTC alleged that the transfer of 26% shareholding to Reliance Exchangenext Limited by India bulls Financial Services Limited was in breach of lock-in requirements under a Shareholders Agreement dated February 12, 2009 between the ICEX, MMTC and India bulls Financial Services Limited.

The Company responded to the petition, by challenging the maintainability of the petition filed by MMTC Limited before the Hon'ble Company law Board. Subsequently the Company has submitted its response to the aforesaid petition before the Honourable Company Law Board on February 10, 2012 refuting and denying the purported allegations against the Exchange. MMTC on January 19, 2016 sold 10% of its stake in Exchange to outside investors at Rs.10 per shares (Including premium of Rs.5/- per share). The matter is listed for hearing before NCLT.

Post merger, MMTC's shareholding would be 6.00% of the merged share capital.

		As At March 31, 2018 Amount (₹)	As At March 31, 2017 Amount (₹)
4 Reserves and Surplus			
a) Securities Premium Account		67,50,00,000	67,50,00,000
	(A)	<u>67,50,00,000</u>	<u>67,50,00,000</u>
b) Deficit in the Statement of Profit & Loss			
Balance of Loss brought forward		(1,21,04,99,263)	(96,19,14,942)
Loss for the current year		(23,50,13,612)	(14,85,84,321)
Withdrawal / (Contribution) of Settlement Guarantee Fund *		-	(10,00,00,000)
Amount available for appropriation	(B)	<u>(1,44,55,12,875)</u>	<u>(1,21,04,99,263)</u>
Total Appropriations	(C)	-	-
Net deficit	D=(B-C)	<u>(1,44,55,12,875)</u>	<u>(1,21,04,99,263)</u>

* The Company reinstated the Settlement Guarantee Fund (SGF) by initial contribution of ₹ 10,00,00,000 to comply with the requirement of in principal approval to start of trading operation of Exchange by SEBI its vide dated September 28, 2016.

As per Balance Sheet	(A+D)	<u>(77,05,12,875)</u>	<u>(53,54,99,263)</u>
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5 Settlement Guarantee Fund (SGF)

Opening Balance	10,34,95,805	-
- Company's Contribution*	-	10,00,00,000
- Additions on account of merger **	14,92,15,808	-
- Income during the year	<u>1,61,03,706</u>	<u>34,95,805</u>
	26,88,15,319	10,34,95,805
- Base Minimum Capital ***	<u>4,00,25,000</u>	-
As per Balance Sheet	<u>30,88,40,319</u>	<u>10,34,95,805</u>

* The Company reinstated the Settlement Guarantee Fund (SGF) by initial contribution of ₹ 10,00,00,000 to comply with the requirement of in principle approval by SEBI vide letter dated September 28, 2016 to recommence the trading operation of Exchange.

** Consist of ₹ 10,00,00,000 as initial contribution made by NMCE.

***The funds provided by the member towards Base Minimum Capital have been part of Settlement Guarantee Fund. Additionally, there are non-cash member deposits in form of fixed deposits, bank guarantees and lien marked to Exchange forming part of SGF. As on March 31, 2018, the aggregate SGF is ₹ 36,40,40,320 (Previous year ₹ 10,34,95,805) .

6 Long term provisions

Provision for employee benefits

Provision for gratuity	1,87,587	15,82,078
Provision for compensated absences	<u>27,60,928</u>	<u>13,25,975</u>
As per Balance Sheet	<u>29,48,515</u>	<u>29,08,053</u>

7 Trade Payables

Trade Payables

(a) Dues to Micro and Small Enterprises	-	-
(b) Dues to others	<u>24,90,214</u>	<u>51,95,365</u>
As per Balance Sheet	<u>24,90,214</u>	<u>51,95,365</u>

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

	As At March 31, 2018 Amount (₹)	As At March 31, 2017 Amount (₹)
8 Other Current Liabilities		
Amount received from members and applicants towards -		
- Trading Margins received from Members	8,78,27,154	-
- Application money pending admission	35,20,878	60,04,925
- Advance Payments for which services yet to be given	-	5,97,500
- Other Members liabilities	2,73,35,490	12,46,465
Investor Protection Fund	11,93,08,934	5,07,31,982
Less: Amounts deposited and kept in designated bank account, Mutual Fund & Fixed Deposit towards Investor Protection Fund	<u>11,81,08,463</u>	<u>12,00,471</u>
Statutory Liabilities -		
Service tax payable	12,11,804	2,07,669
Tax deducted at source	96,01,703	33,68,135
Commodity Transaction Tax	5,94,867	-
Professional Tax	21,300	10,200
Maharashtra Value Added Tax	-	8,302
Goods & Services Tax	1,20,30,875	-
Security deposit received from -		
- Settlement bankers	1,25,00,000	-
Other liabilities	40,44,114	34,74,860
As per Balance Sheet	<u>15,98,88,656</u>	<u>1,49,18,056</u>
9 Short Term Provisions		
Provision towards expenses	3,52,77,398	5,49,38,121
Provision on surrender of memberships	-	1,55,14,075
Provision for gratuity	24,72,812	10,568
Provision for compensated absences	27,81,662	23,288
As per Balance Sheet	<u>4,05,31,872</u>	<u>7,04,86,052</u>

10 Fixed Assets

a) Tangible assets

	Furniture and fixtures	Leasehold Improvements	Computers	Office Equipment	Total
Cost or valuation					
As at April 01, 2016	2,27,007	-	6,54,83,060	27,77,640	6,84,87,707
Additions	28,68,757	1,01,44,333	12,69,907	35,19,905	1,78,02,902
Disposal	-	-	53,823	45,900	99,723
As at March 31, 2017	<u>30,95,764</u>	<u>1,01,44,333</u>	<u>6,66,99,144</u>	<u>62,51,645</u>	<u>8,61,90,886</u>
Additions	2,32,474	8,80,235	10,06,43,951	4,21,679	10,21,78,339
Additions on merger	11,54,945	-	23,20,724	2,42,814	37,18,483
Disposal	-	-	5,15,51,458	17,04,275	5,32,55,733
As at March 31, 2018	<u>44,83,183</u>	<u>1,10,24,568</u>	<u>11,81,12,361</u>	<u>52,11,863</u>	<u>13,88,31,975</u>
Depreciation					
As at April 01, 2016	95,684	-	6,22,91,345	19,08,830	6,42,95,859
Charge for the year	3,36,662	21,39,882	15,11,537	9,35,729	49,23,810
Disposal during the year	-	-	53,823	45,900	99,723
As at March 31, 2017	<u>4,32,346</u>	<u>21,39,882</u>	<u>6,37,49,059</u>	<u>27,98,659</u>	<u>6,91,19,946</u>
Charge for the year	8,62,817	21,94,036	1,73,33,670	10,13,554	2,14,04,077
Disposal during the year	-	-	5,15,51,458	16,85,015	5,32,36,473
As at March 31, 2018	<u>12,95,163</u>	<u>43,33,918</u>	<u>2,95,31,271</u>	<u>21,27,198</u>	<u>3,72,87,550</u>
Net Block					
As at March 31, 2017	26,63,418	80,04,451	29,50,085	34,52,986	1,70,70,940
As at March 31, 2018	31,88,020	66,90,650	8,85,81,090	30,84,665	10,15,44,425

10 Fixed Assets (Continued)

a) Tangible assets	Price Ticker Boards	Digital Moving		Motor Vehicles	Total
		Display Equipment	Office Building		
As at April 01, 2016					
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
As at March 31, 2017	-	-	-	-	-
Additions on merger	28,13,385	4,402	1,49,19,774	2,09,885	1,79,47,446
Disposal	-	-	-	-	-
As at March 31, 2018	28,13,385	4,402	1,49,19,774	2,09,885	1,79,47,446
Depreciation					
As at April 01, 2016					
Charge for the year	-	-	-	-	-
Disposal during the year	-	-	-	-	-
As at March 31, 2017	-	-	-	-	-
Charge for the year	6,10,244	3,101	2,71,201	2,00,022	10,84,568
Disposal during the year	-	-	-	-	-
As at March 31, 2018	6,10,244	3,101	2,71,201	2,00,022	10,84,568
Net Block					
As at March 31, 2017	-	-	-	-	-
As at March 31, 2018	22,03,141	1,301	1,46,48,573	9,863	1,68,62,878
b) Intangible assets					
			Goodwill	Software	Total
Cost or valuation					
As at April 01, 2016			-	5,99,37,258	5,99,37,258
Additions			-	1,07,95,598	1,07,95,598
As at March 31, 2017			-	7,07,32,856	7,07,32,856
Additions			-	10,11,20,084	10,11,20,084
Additions on merger*			43,03,99,082	-	43,03,99,082
Disposal			-	-	-
As at March 31, 2018			43,03,99,082	17,18,52,940	60,22,52,022
Amortisation					
As at April 01, 2016			-	5,97,76,541	5,97,76,541
Charge for the year			-	5,54,367	5,54,367
As at March 31, 2017			-	6,03,30,908	6,03,30,908
Charge for the year			8,60,79,816	67,51,253	9,28,31,069
Disposal during the year			-	-	-
As at March 31, 2018			8,60,79,816	6,70,82,161	15,31,61,977
Net Block					
As at March 31, 2017			-	1,04,01,948	1,04,01,948
As at March 31, 2018			34,43,19,266	10,47,70,779	44,90,90,045

The Amalgamation has been accounted as prescribed by the Accounting Standard (AS-14). Accordingly, the assets and liabilities of the erstwhile NMCE as at April 1, 2017 have been taken at their book values as specified in the Scheme of Amalgamation clause no 2.3. Accordingly, ₹ 43,03,99,082 has been debited to Goodwill during the year.

Accordingly, ₹ 43,03,99,082 has been debited to Goodwill during the year and will be amortised over five years. ₹ 8,60,79,816 has been amortised in FY 2017-18.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

	As At March 31, 2018 Amount (₹)	As At March 31, 2017 Amount (₹)
11 Long Term Loans and Advances		
Security deposit		
Security deposit (Unsecured, considered good)	27,45,200	25,91,200
As per Balance Sheet	27,45,200	25,91,200
12 Current Investments		
Investment in Mutual Funds: (Non-trade)		
(At cost and fair value which is lower)		
Unquoted Mutual Funds		
- SBI Premier Liquid Fund - Dir - Growth	1,12,88,147	11,10,66,028
No. of Units: 4236.30 (Previous Year: 43,698.83)		
NAV: Rs. 2724.40 (Previous Year: 2552.31) per unit		
- HDFC Liquid Fund -Dir- Growth *	2,10,78,757	18,00,00,000
No. of Units: 6,382.70 (Previous Year: 56,335.82)		
NAV: Rs.3,423.88 (Previous Year: 3,208.91) per unit		
- HDFC Cash Mgmt Fund-Treasury Advantage- Dir-Growth	18,79,44,562	-
No. of Units: 50,65,381.98 (Previous Year: Nil)		
NAV: Rs. 37.97 (Previous Year: Nil) per unit		
- Birla Sun Life Cash Manager Fund - Dir - Growth	15,50,14,274	-
No. of Units: 3,64,663.53 (Previous Year: Nil)		
NAV: Rs. 436.02 (Previous Year: Nil) per unit		
- Birla Sun Life Cash Plus Fund - Dir - Growth	-	16,70,30,419
No. of Units: Nil (Previous Year: 6,41,896.60)		
NAV: Rs. Nil (Previous Year: 261.30) per unit		
- Reliance Liquid Fund Cash Plan- Dir - Growth	3,03,87,316	18,00,00,000
No. of Units: 10,864.55 (Previous Year: 68,861.52)		
NAV: Rs. 2,807.32 (Previous Year: 2,625.26) per unit		
- ICICI Prudential Flexible Income Plan-Dir-Growth	18,01,85,950	-
No. of Units: 5,51,111.81 (Previous Year: Nil)		
NAV: Rs. 335.08 (Previous Year: Nil) per unit		
- ICICI Prudential Liquid -Dir- Growth	-	18,00,00,000
No. of Units: Nil (Previous Year: 7,50,997.26)		
NAV: Rs. Nil (Previous Year: 240.71) per unit		
- Kotak Mutual Fund - Lower Duration Dir- Growth	20,00,00,000	-
No. of Units: 93,426.733 (Previous Year: Nil)		
NAV: Rs. 2,190.76 (Previous Year: Nil) per unit		
- Principal Cash Management Fund Growth*	84,75,000	-
No. of Units: 5,011.20 (Previous Year: Nil)		
NAV: Rs. 1,691.21 (Previous Year: Nil) per unit		
- SBI Debt Fund - Series B Debt 28 -1100 Days - Growth*	1,00,00,000	-
No. of Units: 10,00,000 (Previous Year: Nil)		
NAV: Rs. 10 (Previous Year: Nil) per unit		
- Invesco Liquid Fund - Growth*	42,92,000	-
No. of Units: 1,796.46 (Previous Year: Nil)		
NAV: Rs. 2,389.14 (Previous Year: Nil) per unit		
- ABSL Cash Plus - Growth	56,65,000	-
No. of Units: 20,312.94 (Previous Year: Nil)		
NAV: Rs. 278.88 (Previous Year: Nil) per unit		
- ABSL Banking & PSU Debt Fund- Growth	6,00,00,000	-
No. of Units: 11,45,387.91 (Previous Year: Nil)		
NAV: Rs. 52.38 (Previous Year: Nil) per unit		
- DHFL Pramerica low duration fund	1,50,00,000	-
No. of Units: 6,14,373.89 (Previous Year: Nil)		
NAV: Rs. 24.41 (Previous Year: Nil) per unit		
Sub Total (A)	88,93,31,006	81,80,96,447

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2018

	As At March 31, 2018 Amount (₹)	As At March 31, 2017 Amount (₹)
12 Current Investments (Continued)		
Unquoted Mutual Funds		
- Invesco Medium Term Bond Fund - Growth No. of Units: 27,497.73 (Previous Year: Nil) NAV: Rs. 1,818.33 (Previous Year: Nil) per unit	5,00,00,000	-
- ICICI Prudential Regular Income Fund- Growth No. of Units: 10,94,816.59 (Previous Year: Nil) NAV: Rs. 18.26 (Previous Year: Nil) per unit	2,00,00,000	-
- ICICI Pru Flexible Income Plan No. of Units: 89,580.69 (Previous Year: Nil) NAV: Rs. 334.89 (Previous Year: Nil) per unit	3,00,00,000	-
- ICICI Prudential Regular Income Fund- Growth No. of Units: 1,49,301.15 (Previous Year: Nil) NAV: Rs. 334.89 (Previous Year: Nil) per unit	5,00,00,000	-
- ICICI Pru FMP Series-82 103 Days Plan O No. of Units: 5,00,000 (Previous Year: Nil) NAV: Rs. 10.00 (Previous Year: Nil) per unit	50,00,000	-
- Reliance Medium Term Fund - Growth No. of Units: 17,48,223.54 (Previous Year: Nil) NAV: Rs. 37.18 (Previous Year: Nil) per unit	6,50,00,000	-
- Reliance Monthly interval fund No. of Units: 2,17,118.49 (Previous Year: Nil) NAV: Rs. 23.02 (Previous Year: Nil) per unit	50,00,000	-
- Reliance Quarterly interval fund No. of Units: 12,63,242.00 (Previous Year: Nil) NAV: Rs. 23.75 (Previous Year: Nil) per unit	3,00,00,000	-
- TATA Liquid Fund - Growth No. of Units: 14,448.71 (Previous Year: Nil) NAV: Rs. 3,199.51 (Previous Year: Nil) per unit	4,62,28,850	-
Sub Total (B)	<u><u>30,12,28,850</u></u>	<u><u>-</u></u>
As per Balance Sheet	Total (A+B)	<u><u>81,80,96,447</u></u>
Aggregate NAV of unquoted investments	1,21,17,98,473	82,16,01,004

* The amount includes ₹ 2,02,61,482 (Previous year: Nil) investmented in mutual fund is earmarked towards SGF.

13 Trade Receivables

i) Outstanding for a period exceeding six months from the date they are due for payment

Secured, Considered Good	13,91,629	
Unsecured, considered doubtful	1,75,28,300	40,14,831
Provision for doubtful debts	<u>(1,75,28,300)</u>	<u>(40,14,831)</u>
	<u><u>13,91,629</u></u>	<u><u>-</u></u>

ii) Other

Unsecured, considered good	<u>27,21,107</u>	<u>-</u>
	<u><u>27,21,107</u></u>	<u><u>-</u></u>
As per Balance Sheet	<u><u>41,12,736</u></u>	<u><u>-</u></u>

Indian Commodity Exchange Limited
Notes forming part of financial statements as at March 31, 2018

	As At March 31, 2018 Amount (₹)	As At March 31, 2017 Amount (₹)
14 Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	26,334	15,295
Balances with scheduled banks *		
In Current Accounts	70,12,559	30,98,151
In Deposits with original maturity of less than three months **	36,81,53,204	9,98,00,000
Sub-total (A)	<u>37,51,92,097</u>	<u>10,29,13,446</u>
Other bank balances :		
Deposits with original maturity for more than 3 months but less than 12 months **	10,32,64,087	25,50,00,000
Sub-total (B)	<u>10,32,64,087</u>	<u>25,50,00,000</u>
As per Balance Sheet (A + B)	<u>47,84,56,184</u>	<u>35,79,13,446</u>
* The amount includes ₹ 2,68,511 (Previous year: ₹ 27,734) and ₹10,00,000 (Previous year: NIL) in Current Account created and earmarked for Settlement Guarantee Fund and an Investor Service Fund (ISF) respectively.		
** The amount includes ₹ 25,73,17,291 (Previous year: ₹ 10,00,00,000) as in deposit with banks (Fixed deposits) created and earmarked for Settlement Guarantee Fund.		
15 Short Term Loans and Advances		
Capital Advances		
Unsecured, considered good	44,22,000	2,66,06,430
Unsecured, considered doubtful	-	-
Provision for doubtful advances	-	-
Sub-total (A)	<u>44,22,000</u>	<u>2,66,06,430</u>
Security deposit		
Unsecured, considered good	7,25,881	27,000
Sub-total (B)	<u>7,25,881</u>	<u>27,000</u>
Advances recoverable in cash or kind		
Unsecured, considered good	23,28,902	1,92,23,794
Unsecured, considered doubtful	3,34,05,709	-
Provision for doubtful advances	(3,34,05,709)	-
Sub-total (C)	<u>23,28,902</u>	<u>1,92,23,794</u>
Other loans and advances		
Employee Advances	25,000	-
Unsecured, considered good: Others	37,27,742	-
Less: Provision for Doubtful Loans and Advances	(20,82,257)	-
Income taxes recoverable (net of provisions)	3,05,03,016	95,70,215
Balances with Statutory authorities	9,82,55,222	6,44,05,822
Sub-total (D)	<u>13,04,28,723</u>	<u>7,39,76,037</u>
As per Balance Sheet (A+B+C+D)	<u>13,79,05,506</u>	<u>11,98,33,261</u>
16 Other Current Assets		
Unsecured, considered good		
Interest accrued on fixed deposits with banks	1,90,93,831	95,57,316
Diamond on E Unit Conversion (Refer Note 38)	1,84,26,422	
Less: E-units on Diamond Conversion	<u>(1,84,26,422)</u>	-
Other receivables from members on account of penalty charges levied	6,41,093	4,09,975
Less: Payables accrued but not due to be transferred to Investor Protection Fund on account of penalty charges uncollected from Members	<u>(6,41,093)</u>	<u>(4,09,975)</u>
Prepaid expenses	1,13,53,420	10,39,510
As per Balance Sheet	<u>3,04,47,251</u>	<u>1,05,96,826</u>

Indian Commodity Exchange Limited
Notes forming part of financial statements for the year ended March 31, 2018

	For the year ended March 31, 2018 Amount (₹)		For the year ended March 31, 2017 Amount (₹)	
17 Revenue From Operations				
Operating revenues				
Membership admission fee		89,57,627		1,29,98,697
Transaction Fee		2,04,48,529		-
Other membership fee		10,82,252		25,000
		<u>3,04,88,408</u>		<u>1,30,23,697</u>
Other operating revenues				
Connectivity charges		40,01,029		-
Income from penalty charges		4,04,569		3,005
Vaulting Charges		1,46,204		-
Other Miscellaneous Operational Income		-		-
		<u>45,51,802</u>		<u>3,005</u>
As per Statement of Profit and Loss		<u>3,50,40,210</u>		<u>1,30,26,702</u>
18 Other Income				
Interest income on bank deposits	3,19,55,023		2,16,89,147	
Less: Transferred to SGF	<u>(1,60,40,926)</u>	1,59,14,097	<u>(34,68,071)</u>	1,82,21,076
Provisions no longer required written back		1,55,14,075		9,54,494
Dividend income on current investments	-		20,15,415	
Less: Transferred to SGF	<u>-</u>	-	<u>(27,734)</u>	19,87,681
Profit on redemption of units of mutual fund	7,89,76,927		87,67,257	
Less: Transferred to SGF	<u>(61,482)</u>	7,89,15,445	-	87,67,257
Miscellaneous income		13,03,567		82,413
Interest on income tax refund		-		99,999
Central Server Site Maintenance Charges		4,00,000		-
Profit on Sale of Fixed Assets		3,15,569		-
As per Statement of Profit and Loss		<u>11,23,62,753</u>		<u>3,01,12,920</u>
19 Operating Costs				
Information technology support expenses		3,82,13,549		3,66,68,899
Networking / leased line expenses		65,32,633		22,21,235
Subscription charges		3,73,678		72,152
Contribution to Investor Protection Fund		32,58,153		3,25,00,000
As per Statement of Profit and Loss		<u>4,83,78,013</u>		<u>7,14,62,286</u>
20 Employee Benefit Expenses				
Salaries, Wages and Bonus		11,25,69,550		6,27,55,584
Contribution to provident and other funds		56,24,522		17,25,621
Gratuity and compensated absences expenses		41,12,790		23,32,316
Staff welfare expenses		21,36,617		17,01,427
As per Statement of Profit and Loss		<u>12,44,43,479</u>		<u>6,85,14,948</u>
21 Financial Costs				
Bank charges		58,265		96,859
As per Statement of Profit and Loss		<u>58,265</u>		<u>96,859</u>
22 Other Expenses				
Advertisement and business promotion expenses		2,10,12,260		48,18,144
Travelling and conveyance expenses		70,21,861		30,21,563
Repairs and Maintenance		92,75,257		1,19,95,710
Professional charges		2,71,20,671		50,06,025
Lease rentals		59,92,634		47,37,100
Rates and taxes		38,29,154		85,89,546
Printing and stationery		49,79,102		42,34,112
Communication expenses		12,29,836		7,71,002
Electricity expenses		21,22,347		13,47,461
Director's sitting fees		22,83,525		7,00,000
Insurance		7,60,764		4,77,807
Provision for Doubtful debts		19,44,925		-
Bad debts	-		59,52,650	
Less : Provision of bad debts	<u>-</u>	-	<u>(59,52,650)</u>	-
Postage and courier		3,09,348		89,074
Auditor's Remuneration				
Statutory audit		8,55,402		3,30,000
Certifications		80,000		40,000
Miscellaneous expenses		1,15,723		14,129
As per Statement of Profit and Loss		<u>8,89,32,809</u>		<u>4,61,71,673</u>

Indian Commodity Exchange Limited

Notes forming part of financial statements as at and for the year ended March 31, 2018

- 23** Disclosures in respect of Accounting Standard – 18 Related Party Disclosures notified under the Companies (Accounting Standards) Rules, 2006, as amended:

Nature of relationship with Related Parties

(I) Related parties pertaining to the Company

(a) Related parties exercising significant influence :

Reliance Exchangenext Limited

(b) Key Managerial Personnel -

Mr. Sanjit Prasad - Managing Director and Chief Executive Officer (MD & CEO)

Mr. Ghanashyam Rao - Chief Financial Officer (CFO)

Mr. Ameya Paranjape - Company Secretary (CS) (up to October 21, 2017)

Ms. Shweta Gujar - Company Secretary (CS) (w.e.f April 20, 2018)

(c) Significant Transactions with Related Parties:

(Amount in ₹)

Nature of Transaction	Current Year	Current Year	Previous Year
	Key Managerial Personnel	Related parties exercising control/ significant influence	
Remuneration to Key Managerial Personnel (Included under the head employee benefit expenses, Note -20)	1,61,11,027	-	1,37,25,585
Balance Outstanding as at Balance Sheet Date	NIL	NIL	NIL

(II) Related parties pertaining to NMCE

(a) Related parties exercising significant influence :

Neptune Overseas Limited *

Central Warehousing Corporation

(b) Trust for Protection, Awareness and Education of Investors of the Exchange

NMCE Investor (Client) Protection Fund

(c) Key Managerial Personnel -

Mr. Anil Mishra (Managing Director & CEO)

(d) Significant Transactions with Related Parties:

Nature of Transaction	Current Year	Current Year	Previous year	Previous year
	Key Managerial Personnel	Related parties exercising control/ significant influence	Key Managerial Personnel	Related parties exercising control/ significant influence
Remuneration to Key Managerial Personnel (Included under the head employee benefit expenses, Note -20)	92,06,400	-	92,42,400	-
Recovery of Expenses	1,19,299	-	1,10,874	-
Meeting Expenses (Central Warehousing Corporation)	-	1,798	-	2,480
Sitting Fees (Central Warehousing Corporation)	-	2,20,000	-	2,25,000
Balance Outstanding as at Balance Sheet Date	49,425	NIL	48,724	NIL

Indian Commodity Exchange Limited

Notes forming part of financial statements as at and for the year ended March 31, 2018

* NMCE does not have any information about the related party of Neptune Overseas Limited.

* 46,42,629 equity Shares (includes 29,32,680 Equity Shares as referred below) held by Neptune Overseas Limited, have been taken possession by Deputy Director PMLA, Ahmedabad, through attachment orders. The shares have been transferred in compliance of the order of Enforcement Directorate vide Order Ref No. ECIR/02/AZO/2013/462 & ECIR/02/AZO/2013/466 dated July 3, 2017. This transfer has been challenged by Neptune Overseas Limited by way of NMCE petition before NCLT, Ahmedabad bench, which is pending for hearing

* Subject to final outcome of Court order, pursuant to the letter reference no.FMC/LAD-ENF/VI/2011-12/02/2572 dated June 24, 2011 of the Forward Markets Commission ("FMC") and Final order of FMC reference no. FMC/Comp/VI/2010/12/14 dated July 23, 2011, 29 32 680 Equity Shares held by Neptune Overseas Limited do not have Voting Rights, which constitutes 15.34% of paid up Equity Share Capital of the Company. However, FMC vide its letter no.1/1/2014-MD-I/B dated May 6, 2014 has directed that in the event of any person ceasing to be a "fit and proper person" or being declared so by the Commission, such person shall forthwith divest his shareholding. Further pending divestment of shares, the voting rights of such person shall stand extinguished and any corporate benefit in lieu of such holding shall be kept in abeyance/ withheld by NMCE. Consequently, Shares held by Neptune Overseas Limited does not carry any voting rights/benefits.

(III) Statement of Material Transactions:

In accordance with AS 18, disclosures in respect of transactions with identified related parties are given only for such period during which the relationship existed. Related party relationships as given above are as identified by the Company and relied upon by the auditors.

24 Employee benefit obligations (Gratuity and Compensated Absences) :

(a) Defined Contribution Plans:

The Company's contribution amounting to ₹ 38,61,424 (Previous year ₹ 735,122) to defined contribution plan (Provident Fund) and ₹ 42 691 (Previous Year ₹ Nil) towards Employee State Insurance are recognized as expenses in the Statement of Profit and Loss for the year ended March 31, 2018.

(b) Disclosures in respect of Employee Benefits in accordance with Accounting Standard 15 (AS 15) (Revised 2005) – Employee Benefits as notified under the Companies (Accounting Standards) Rules, 2006, as amended:

Provisions for funded gratuity and unfunded compensated absences for all eligible employees are based upon actuarial valuation conducted yearly by an independent actuary. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions during the year ended March 31, 2018, have been accounted for in the Statement of Profit and Loss .

Indian Commodity Exchange Limited
Notes forming part of financial statements as at and for the year ended March 31, 2018
24 Employee benefit obligations (Continued)

The table below provides disclosures in respect of gratuity and compensated absences in accordance with AS 15: -

(A) ICEX

(Amount in ₹)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
	(Funded)	(Unfunded)	(Unfunded)	(Unfunded)
Reconciliation of liability recognized in the Balance Sheet				
Present value of commitment (as per actuarial valuation)	29,06,874	20,55,281	15,92,646	13,49,263
Net liability in the Balance Sheet (Actual)	29,06,874	20,55,281	15,92,646	13,49,263
Movement in the net liability recognized in the Balance Sheet				
Net liability as at beginning of year	15,92,646	13,49,263	4,14,873	1,97,059
Net expenses recognized in the Statement of Profit and Loss	13,14,228	7,72,915	11,77,773	11,54,543
Contributions during the year	-	-	-	-
Benefits paid	-	(66,897)	-	(2,339)
Net liability as at end of the year / year	29,06,874	20,55,281	15,92,646	13,49,263
Expenses recognized in the Statement of Profit				
Current service cost	13,26,254	9,82,860	11,25,886	10,41,055
Interest cost	1,20,086	1,01,734	33,190	15,765
Expected return on plan assets	-	-	-	-
Actuarial (gains) / losses	(1,32,112)	(3,11,679)	18,697	97,723
Expenses charged to the Statement of Profit and	13,14,228	7,72,915	11,77,773	11,54,543
Reconciliation of defined-benefits commitments				
Commitments as at beginning of year	15,92,646	13,49,263	4,14,873	1,97,059
Current service cost	13,26,254	9,82,860	11,25,886	10,41,055
Interest cost	1,20,086	1,01,734	33,190	15,765
Paid benefits	-	(66,897)	-	(2,339)
Actuarial (gains) / losses	(1,32,112)	(3,11,679)	18,697	97,723
Commitments as at end of year	29,06,874	20,55,281	15,92,646	13,49,263

The actuarial valuation to determine commitments and expenses in respect of gratuity and compensated absences is based on the following assumptions which if changed, would affect the commitment's size, funding requirement and expenses: -

	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.71%	7.54%
Expected return on plan assets	NA	NA
Expected rate of salary increase	6.00%	6.00%
Mortality Table	IALM (2006 - 08)	IALM (2006 - 08)

(Amount in ₹)

Experience adjustment:	Gratuity (funded)				
	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities	68,267	72,693	2,772	4,75,514	10,88,351
Gain/(Loss)	-	-	-	-	-
On plan assets Gain/ (Loss)	-	-	-	-	-
Present value of benefit obligations	29,06,874	15,92,646	4,14,873	5,42,425	9,37,322
Fair value of plan assets	28,26,929	-	-	-	-
Excess of (obligation over plan assets) / plan assets over obligations	(79,945)	(15,92,646)	(4,14,873)	(5,42,425)	(9,37,322)

Indian Commodity Exchange Limited

Notes forming part of financial statements as at and for the year ended March 31, 2018

24 Employee benefit obligations (Continued)

(Amount in ₹)

Compensated absences (Unfunded)					
Experience adjustment:	2017-18	2016-17	2015-16	2014-15	2013-14
On plan liabilities	2,67,599	(16,872)	93,420	31,698	4,32,835
Gain/(Loss)					
On plan assets Gain/ (Loss)	-	-		-	-
Present value of benefit obligations	20,55,281	13,49,263	1,97,059	3,41,968	4,58,369
Fair value of plan assets	-	-		-	-
Excess of (obligation over plan assets) / plan assets over obligations	(20,55,281)	(13,49,263)	(1,97,059)	(9,56,527)	(8,10,380)

The employer's best estimate of contributions expected to be paid during the annual period beginning after the Balance Sheet date, towards Gratuity and Compensated absences is ₹ 20,49,903 (Previous year ₹ 16,12,337) and ₹ 6,31,321 (Previous year: ₹ 3,47,361) respectively.

The table below provides disclosures in respect of gratuity and compensated absences in accordance with AS 15: -
(B) NMCE

Particulars	Gratuity	
	2017-18	2016-17
Discount Rate Current	7.85%	7.34%
Rate of Increase in Compensation Levels	7.00%	7.00%
Withdrawal Rates	2.00%	2.00%
Rate of Return on Plan Assets	7.85%	7.34%
Retirement age	65 Yrs	65 Yrs

Particulars	Gratuity	
	2017-18	2016-17
Changes in present value of obligation		
Projected Benefit Obligations (PBO) at the beginning of the year	82,97,987	66,71,940
Interest Cost	6,09,072	5,38,426
Current Service Cost	7,64,245	6,36,268
Past service Cost	1,55,079	-
Benefits paid	65,423	2,87,930
Actuarial (gain) / loss on Obligations	(4,78,291)	7,39,283
Projected Benefit Obligations at the end of the year	92,82,669	82,97,987

Particulars	Gratuity	
	2017-18	2016-17
Changes in fair value of plan assets		
Fair Value of Plan Assets at the beginning of the year	63,03,748	49,80,592
Expected Return on Plan Assets	4,62,695	4,01,934
Contributions	39,690	12,31,878
Benefits paid	65,423	2,87,930
Actuarial Gain / (loss) on Plan Assets	(38,495)	(22,726)
Fair Value of Plan Assets at the end of the year	67,02,215	63,03,748

Particulars	Gratuity	
	2017-18	2016-17
Percentage of each category of plan assets to total fair value of plan assets		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity share of Listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Policy of Insurance	100.00%	100.00%
Bank Balance	0.00%	0.00%

Indian Commodity Exchange Limited

Notes forming part of financial statements as at and for the year ended March 31, 2018

24 Employee benefit obligations (Continued)

Particulars	Gratuity	
	2017-18	2016-17
Reconciliation of Present Value of Defined Present Obligations and the Fair Value of plan assets		
Present Value of Obligation	92,82,669	82,97,987
Fair Value of Plan Assets	67,02,215	63,03,748
Net (Asset)/ Liability	25,80,454	19,94,239
Less: Contribution Already made to Gratuity Trust	-	12,493
Net (Asset)/ Liability recognized in the Balance Sheet	25,80,454	19,81,746

Particulars	Gratuity	
	2017-18	2016-17
Amounts to be recognized in Balance Sheet		
Present Value of Obligation	92,82,669	82,97,987
Fair Value of Plan Assets	67,02,215	63,03,748
Funded(Asset)/Liability recognised in the Balance Sheet	-	12,493
Unfunded Liability recognised in the Balance Sheet	25,80,454	19,81,746

Particulars	Gratuity	
	2017-18	2016-17
Expenses recognized in the Statement of Profit and Loss		
Current Service Cost	7,64,245	6,36,268
Interest Cost	1,46,377	1,36,492
Past service Cost	1,55,079	-
Net Actuarial (gain)/loss recognized in the year	(4,39,796)	7,62,009
Amount Directly paid by the Company	-	-
Expenses recognized in the Income Statement	6,25,905	15,34,769

Particulars	Gratuity	
	2017-18	2016-17
Experience Adjustments		
On Plan Liabilities(Gain) / Loss	(51,142)	1,43,388
On Plan Assets(Gain) / Loss	(38,495)	(22,726)
Total Experience - Adjustments Actuarial (Gain) / Loss due to change in Assumptions	(89,637)	1,20,662

Particulars	31/03/18	31/03/17	31/03/16	31/03/15	31/03/14
Gratuity					
Define Benefit	92,82,669	82,97,987	66,71,940	46,76,485	41,89,256
Plan Assets	67,02,215	63,03,748	49,80,592	39,65,413	35,64,776
Surplus/(Deficit)	(25,80,454)	(19,94,239)	(16,91,348)	(7,11,072)	(6,24,480)
Experience Adjustment on plan Liabilities	(89,637)	1,20,662	12,25,288	8,00,650	1,23,758

25 Capital and other commitments:

(Amount in ₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Estimated amount of Capital Commitments (Net of capital advances)	44,22,000	3,27,68,670

Indian Commodity Exchange Limited

Notes forming part of financial statements as at and for the year ended March 31, 2018

26 Contingent liabilities (NMCE)

In case of NMCE, the case of CMC Ltd, Arbitration Award dated 05.01.2010 of ₹ 32.85 Lacs together with running interest on the principal amount of ₹ 30.75 Lacs at the rate of 12% p.a. till 31.01.2006 was awarded against the Company. The Company has filed an appeal in the City Civil Court against the said Arbitration Award. In the event of decision against the Company, the Company will be required to pay ₹ 32.85 Lacs along with interest amount of ₹ 44.90 Lakhs (₹ 41.21 Lakhs upto 31.03.2017) for the period 01.02.2006 to 31.03.2018

- 27 (a) FMC in accordance with sub clause (b) of sub- section (2) of Section 8 of the Forward Contracts (Regulation) Act, 1952 and sub-section (4) of Section 8 of the said Act read with Government of India Notification S.O.No. 1162 dated May 4, 1960, had appointed officers of the FMC to conduct an inquiry in relation to affairs of the company NMCE and to carry out the inspection of the books of accounts and records of the NMCE.

Subsequent to the inquiry, the Commission vide Final Order No.FMC/Comp/VI/2010/12/14 dated July 23, 2011 has directed the NMCE to take appropriate legal actions against various persons/parties to recover wrongful and unauthorised payments made to them. Such directions are

(a) To recover wrongful and illegal over payment of ₹ 28.80 crore paid to a company controlled by the then NMCE Managing Director and his relatives.

(b) To recover wrongful and illegal payment of ₹ 2.47 crore made by NMCE to an entity controlled by the relative of the then NMCE Managing Director.

(c) To recover an amount of ₹ 3.53 crore paid by NMCE to 56 consultants without proper authorisation.

(d) To recover an amount of ₹ 20.93 lacs on account of misappropriation of funds of NMCE by the then Managing Director towards purchase of vehicles.

(e) To recover an unascertained amount of expenditure incurred by NMCE and depreciation allowance charged by the Company on vehicles used by the relatives of the then Managing Director.

(f) To recover an unascertained amount of personal expenses including travelling expenses incurred by NMCE for the relatives of the then Managing Director

Accordingly, NMCE Company has filed recovery suits.

In addition to the above, the FMC has also directed NMCE to refer the matter to the appropriate authorities under the Companies Act, 2013 (erstwhile Companies Act,1956) for cancellation of the irregular allotment of 29,32,680 shares to Neptune Overseas Limited and any other actions as provided under the Companies Act, 2013 (erstwhile Companies Act,1956). Pending cancellation, the impugned 29,32,680 equity shares of NMCE held by Neptune Overseas Limited will not have any voting rights.

Necessary application has been filed before Hon'ble Company Law Board, Mumbai, which stands transferred to National Company Law Tribunal, Ahmedabad Bench

On February 09, 2012, the Hon'ble Gujarat High Court disposed off the appeal filed by Neptune Overseas Limited and quashed the Final Order dated July 23, 2011 issued by FMC on the ground of principle of natural justice.

FMC had filed a Special Leave Petition before the Hon'ble Supreme Court of India against the order of Hon'ble High Court of Gujarat dated February 9, 2012. The Hon'ble Supreme Court of India on March 22, 2012 granted interim stay on the order of the Hon'ble High Court of Gujarat, but any proceedings, decision or action taken in pursuance of FMC's Order shall abide by the final result of the Special Leave Petitions. The Special Leave Petition was disposed off vide order dated March 7, 2018, whereby order dated February 9, 2012 passed by Hon'ble High Court of Gujarat was set aside and Neptune Overseas Limited was permitted to challenge the FMC's Order dated July 23, 2011 before Securities Appellate Tribunal. Accordingly Neptune Overseas Limited has filed appeal before Securities Appellate Tribunal, which is pending for hearing

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Notes forming part of financial statements as at and for the year ended March 31, 2018

The NMCE management is of the view that since matters relating to above irregularities are *sub judice*, any further adjustments/disclosures to the financial statements, if required, would be made in the financial statements of NMCE on final outcome of court order.

(b) Further for the tax dues arising from the above, NMCE has preferred petition before the Income tax Settlement Commission (ITSC) offering the amount of deductions claimed and also the loss arising in the hands of NMCE on account of fraud. NMCE offered expenses and allowances claimed of ₹ 30,47,15,695/- for Assessment Year 2007-08 to 2012-13. Tax dues of ₹ 13,14,29,466 was determined, including interest of ₹ 5,85,32,455 and tax of ₹ 11,75,97,686 was paid, after adjusting the refund of ₹ 1,38,31,780. NMCE has also made submission for the deduction of loss arising out of the embezzlement of ₹ 32,53,93,492. The Hon'ble ITSC has passed an order in favour of NMCE allowing the embezzled loss as claimed by NMCE on 29.09.2016.

28 Equity Structure

(a) FMC vide its Final Order dated July 23, 2011, amongst others, directed NMCE to refer the matter to the appropriate authorities under the Companies Act, 1956 for cancellation of the irregular allotment of 29,32,280 shares to Neptune Overseas Limited. Accordingly, NMCE filed the required petition before Hon'ble CLB, Mumbai bench under Companies Act, 1956 (No1/111 of 2012) on January 5, 2012 for cancellation of the irregular allotment of 29 32 280 shares to the NOL. NMCE, with due permission of the Hon'ble CLB, Mumbai, withdrew the said petition and simultaneously filed fresh application under Companies Act, 2013, in January, 2014. The case has since been transferred to National Company Law Tribunal, Ahmedabad Bench which is being heard (Appeal No 05 of 2014). Meanwhile, the shares which are subject matter of application for cancellation, are included in 46,42,629 shares attached by the Enforcement Directorate. Therefore, the said shares, even if cancelled, may not lead to reduction in Net worth of the NMCE.

29 Segment Reporting

The Company operates in one reportable business segment namely - "Commodity Exchange" and one reportable geographical segment, i.e., within India. Hence, no separate information for segment disclosures is required in respect of reportable segments under Accounting Standard (AS) 17 - Segment Reporting, as notified under The Companies (Accounting Standards) Rules, 2006 as amended, other than those already provided in the financial statements.

30 Leases

The Company has taken office premises on operating lease under lease arrangements. Rent expenses of ₹ 59,60,178 (Previous year : ₹ 47,37,100) in respect of the same have been charged to the Statement of Profit and Loss for the year ended March 31, 2018. The minimum lease rentals in respect of such leases are as under: -

Particulars	(Amount in ₹)	
	As at March 31, 2018	As at March 31, 2017
Not later than one year	64,77,593	49,92,027
Later than one year but not later five years	1,22,85,790	1,42,86,692
Later than five years	-	-

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Notes forming part of financial statements for the year ended March 31, 2018

31 Earnings per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit/(Loss) available for equity Shareholders (₹)	(23,50,13,612)	(14,85,84,321)
Weighted average number of Shares used in computing Basic earnings per share	33,50,00,000	25,46,30,137
Face/Nominal Value of equity Shares - (₹)	5	5
Basic Earnings Per Share - (₹)	(0.70)	(0.58)
Weighted average number of Shares used in computing Diluted earnings per share	53,35,07,476	-
Diluted Earnings Per Share - (₹)	(0.44)	(0.58)

32 Provisions, Contingent Liabilities and Contingent Assets

As per the best estimate of the management, no provision is required to be made as per Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' notified under the Companies (Accounting Standards) Rules, 2006, as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

33 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Disclosure required under section 22 of the Micro, Small and medium Enterprises Development Act, 2006 -

There were no payments of principal and interest due thereon payable to Micro, Small and Medium enterprises as at March 31, 2018. The Company has not received any intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises.

34 Managerial Remuneration under Section 197 of the Companies Act, 2013 -

Remuneration has been paid / is payable to directors during the year ended March 31, 2018

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Managing Director's remuneration - ICEX	1,00,00,000	58,33,333
Sitting fee to other Directors - ICEX	7,90,000	7,00,000
Managing Director's remuneration - NMCE	92,06,400	92,42,400
Sitting fee to other Directors - NMCE	14,93,525	15,83,613

35 Expenditure incurred in foreign currency & foreign exchange gain or loss:

(a) Foreign currency

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Information Technology Support Expenses	2,91,35,174	2,58,32,894
Foreign Travelling Expenses	-	3,41,927

(b) Foreign Exchange fluctuation gain/ (loss)

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Foreign Exchange fluctuation gain included in miscellaneous income	39,465	51,074

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Notes forming part of financial statements as at and for the year ended March 31, 2018

36 The Company has not entered into any derivative instruments during the year. There were no foreign currency exposures as at March 31, 2018 (Previous year: Nil).

37 Current Taxation

(a) No provision is made for current tax in view of losses incurred by the Company during the year (Previous year: Nil)

(b) Deferred Tax

Particulars	(Amount in ₹)	
	Current year	Previous year
Deferred Tax Assets		
Arising on account of temporary differences due to:		
Depreciation / Amortization	1,67,28,251	(59,66,133)
Arising on account of temporary differences due to:		
Provision for employee benefits	13,07,743	9,70,830
Provision for doubtful trade receivables & others	53,68,823	64,44,539
brought forward income tax losses	33,23,85,405	28,61,15,501
Total	35,57,90,222	28,75,64,737

The above deferred tax assets have not been recognised due to the reason of virtual certainty considering prudence, during the year ended March 31, 2018, in accordance with the recommendations of Accounting Standard -22 Accounting for Taxes on Income (Previous year - Nil).

38 In terms of the revised guidelines for Investor Protection Fund (“Guidelines”) dated September 26, 2016, vide circular number SEBI/HO/CDMRD/DEICE/CIR/P/2016/94 as issued by SEBI, the Company is required to create an Investor Protection Fund (“IPF”) with the objective of protection of investors’ funds from default risk of any member of the Exchange. The IPF will be administered by way of a Trust constituted for this purpose. Accordingly:

The Exchange has deposited ₹ 1,86,489 (Previous year : ₹ 42,709) in a designated bank account towards the IPF against penalty collected during the year ended March 31, 2018. As at March 31, 2018, ₹ 21,620 (Previous year : ₹ Nil) was the balance transferable to the designated bank account.

The Exchange received ₹ 5,82,42,404 from NMCE towards the addition of IPF on account of merger.

A Summary of the movement in the IPF designated bank account is provided below:

	Amount (₹)	
	As at March 31, 2018	As at March 31, 2017
Opening balance	5,07,31,981	1,69,83,686
Amount transferred during the year	1,86,489	27,051
Addition on account of merger	5,82,42,404	-
One time Exchange contribution	-	3,25,00,000
Amount of income credited during the year (Net of TDS)	89,77,589	12,72,707
Utilization during the year	(30,000)	(51,463)
Closing balance*	11,81,08,463	5,07,31,981

* Includes amount held in earmarked fixed deposits and mutual fund - ₹ 11,78,20,000 (Previous year : ₹ 5,06,60,000)

The Exchange has created a Trust to administer the IPF and in process of registration the with the Charity Commissioner of Income Tax of India . The funds in the designated bank account and earmarked fixed deposits and mutual funds has been transferred from the books of account of the Company to the Trust account on April 03, 2018.

39 The ICEX Board at its meeting held on June 30, 2017 approved the Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited (NMCE) with ICEX and their respective shareholders. The Hon’ble National Company Law Tribunal (“NCLT”) convened meeting of Equity shareholders of ICEX was held on April 6, 2018 at its registered office at Surat, to approve the Scheme of Amalgamation of NMCE with ICEX and their respective shareholders. The shareholders of ICEX have unanimously approved the said Scheme of Amalgamation. The Exchange on April 13, 2018 has filed petition with NCLT praying to sanction the scheme and declare the same binding on both the companies and its shareholders. NCLT has sanctioned the amalgamation of NMCE with ICEX vide its order dated August 27, 2018. Both the Exchanges have filed certified copy of the order of NCLT in e-form INC-28 with ROC on September 7, 2018. Accordingly, the said amalgamation was effective from September 07, 2018. The appointed date as per the scheme is April 1, 2017.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at and for the year ended March 31, 2018

- 40** As at the close of the year, the Exchange holds Diamond worth ₹ 1,84,26,422 (Previous year: Nil) on behalf of E-unit holder's who have converted their Diamonds into deliverable E units as a part of delivery process of Diamond contract.
- 41** Considering the class of the assets and their age and the future utility, the Exchange is of the opinion that there is no material impairment in the fixed assets of the Company as at the close of the year, within the preview of Accounting Standard - 28, Impairment of Assets.
- 42** In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2018 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Balance Sheet and no further provision is required to be made against the recoverability of these balances, other than already created in the financial statements.
- 43** Previous year's figures have been regrouped / reclassified to confirm to the current year's classification.

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

For S M M P & Associates
Chartered Accountants
Firm Registration No. 120438 W

Chintan Shah
Partner
Membership No. 166729

Mumbai, September 25, 2018

**For and on behalf of the Board of Directors
of Indian Commodity Exchange Limited**

Dr. Hemant K Pradhan
Chairman
DIN:02607244

Ghanashyam V. Rao
Chief Financial Officer

Sanjit Prasad
Managing Director and
Chief Executive Officer
DIN: 03304097

Shweta Gujar
Company Secretary



Indian Commodity Exchange Limited

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