



**Board of Directors (as on December 5, 2020):**

1. Mr. Vijay Kumar Sharma - Chairman, Public Interest Director
2. Mrs. Chitra Shringare - Public Interest Director
3. Mr. Suresh Kumar Agarwal - Public Interest Director
4. Mr. Sanjit Prasad - Managing Director & CEO

**Chief Financial Officer** - Mr. Ghanashyam Rao

**Company Secretary** - Mr. Ishan Kukreja

**Statutory Auditors** - M/s. Chaturvedi and Shah LLP

**Internal Auditors** - M/s. M. M. Nissim & Co.

**Bankers (including active clearing banks):**

HDFC Bank Limited

Yes Bank Limited

**Registered office:**

Office No.109, 1<sup>st</sup> Floor,  
Nodh No. 1158 to 63/65/9, Hat Faliyu,  
Mahidharpura, Surat- 395003, Gujarat.  
Email: icexsecretarial@icexindia.com  
Website: www.icexindia.com  
Phone: 0261 - 2609960  
CIN: U67120GJ2008PLC099142

**Corporate Office:**

Reliable Tech Park, 403-A, B-Wing,  
4th Floor, Thane – Belapur Road,  
Airoli, Navi Mumbai – 400708.  
Email: icexsecretarial@icexindia.com  
Website: www.icexindia.com  
Phone: 022 - 40381500/1300  
Fax: 022 - 40381511

**Registrar and Share Transfer Agent:**

KFin Technologies Private Limited  
Selenium Tower B, Plot numbers 31 & 32  
Nanakramguda, Financial District, Gachibowli  
Hyderabad – 500 032  
Email: einward.ris@kfintech.com  
Tel.No.: +91-040-6716 2222  
Tel. No.: +91-040-6716 2222

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**INDIAN COMMODITY EXCHANGE LIMITED**  
**CIN: U67120GJ2008PLC099142**

**Registered Office: - 1st Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu,  
Mahidharpura, Surat- 395003, Gujarat. Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com) Telephone No. 0261-2609960**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 12<sup>th</sup> Annual General Meeting of the Members of the Indian Commodity Exchange Limited will be held on Tuesday December 29, 2020 at 11:30 AM through Video conferencing/other Audio Visual Means organized by the company to transact the following business:

**ORDINARY BUSINESS:**

- (1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and Auditor's thereon.

**SPECIAL BUSINESS:**

- (2) **Appointment of Mrs. Chitra Shringare, as a Public Interest Director (Independent Director) of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Regulation 24 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as 'SECC Regulations') read with Schedule II of SECC Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) SEBI circulars issued from time to time and Articles of Association of Company, Mrs. Chitra Shringare (DIN:08158196) who was nominated by Securities and Exchange Board of India ('SEBI'), be and is hereby appointed as a Public Interest Director (Independent Director) of the Company for a term of 3 (three) years with effect from July 25, 2020 to July 24, 2023 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

**(3) Appointment of Mr. Vijay Kumar Sharma, as a Public Interest Director (Independent Director) of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Regulation 24 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as ‘SECC Regulations’) read with Schedule II of SECC Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) SEBI circulars issued from time to time and Articles of Association of Company, Mr. Vijay Kumar Sharma (DIN:02449088) who was nominated by Securities and Exchange Board of India (‘SEBI’), be and is hereby appointed as a Public Interest Director (Independent Director) of the Company for a term of 3 (three) years with effect from July 25, 2020 to July 24, 2023 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

**(4) Appointment of Mr. Suresh Kumar Agarwal, as a Public Interest Director (Independent Director) of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Regulation 24 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as ‘SECC Regulations’) read with Schedule II of SECC Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) SEBI circulars issued from time to time and Articles of Association of Company, Mr. Suresh Kumar Agarwal (DIN: 01320750) who was nominated by Securities and Exchange Board of India (‘SEBI’), be and is hereby appointed as a Public Interest Director (Independent Director) of the

Company for a term of 3 (three) years with effect from June 27, 2020 to June 26, 2023 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

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

**Sd/-  
Ishan Kukreja  
Company Secretary**

**Place: Navi Mumbai**

**Date: December 05, 2020**

**Registered office:**

1st Floor, Office - 109,

Nodh No.-1158 to 63/65/9,

Hat Faliyu, Mahidharpura,

Surat GJ 395003 IN.

Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)

Website: [www.icexindia.com](http://www.icexindia.com)

Phone: 0261-2609960

CIN: U67120GJ2008PLC099142

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business of the accompanying notice is annexed hereto.
2. All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com).
3. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using the e-voting system at the AGM will be provided by CDSL.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.icexindia.com/about-us/disclosures>. The AGM Notice is also disseminated on the website of CDSL (agency for providing the e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
9. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
10. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 1st Floor, Office-109, Blue Diamond, Nodh No: 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003, India which shall be the deemed venue of AGM.
11. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body resolution/ authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through e-voting during the AGM. The said resolution/ authorization shall be sent through the registered email address to the Company at [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com).
12. In compliance with the Circulars, copies of Annual Report for Financial Year 2019-20, the Notice of the AGM and instructions for remote e-voting/ e-voting are being sent in electronic mode to those Shareholders whose email addresses are registered with Registrar/ Depository Participant(s). The copy of Annual Report along with the Notice is also available on Company's website at <https://www.icexindia.com/about-us/disclosures>.
13. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection electronically during business hours till the conclusion of the meeting on the date of AGM.
15. To support the 'Green initiative', the Members who have not registered /updated their e-mail addresses so far, are requested to register /update the same with the Company's RTA of their DPs to enable the Company to send communications electronically.

#### **PROCEDURE AND INSTRUCTIONS FOR E-VOTING**

16. During the AGM shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date November 27, 2020 may cast their vote electronically.
17. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
18. Click on "Shareholders" module.
19. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (i) Next enter the Image Verification as displayed and Click on Login.
- (ii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (iii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (iv) After entering these details appropriately, click on "SUBMIT" tab.
- (v) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Click on the EVSN for the relevant INDIAN COMMODITY EXCHANGE LIMITED on which you choose to vote.
- (vii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (viii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (ix) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (x) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xiii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xiv) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [icxsecretarial@icexindia.com/hanumantha.patri@kfintech.com](mailto:icxsecretarial@icexindia.com/hanumantha.patri@kfintech.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [icxsecretarial@icexindia.com/hanumantha.patri@kfintech.com](mailto:icxsecretarial@icexindia.com/hanumantha.patri@kfintech.com).

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 (Seven) **days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ([icxsecretarial@icxindia.com](mailto:icxsecretarial@icxindia.com)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 (Seven) **days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ([icxsecretarial@icxindia.com](mailto:icxsecretarial@icxindia.com)). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

8. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

**Sd/-  
Ishan Kukreja  
Company Secretary**

**Place: Navi Mumbai  
Date: December 5, 2020**

**Registered office:**  
1st Floor, Office - 109,  
Nodh No.-1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat GJ 395003 IN.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com)  
Phone: 0261-2609960  
CIN: U67120GJ2008PLC099142

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

**Item No. 2, 3 & 4**

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 June 24, 2020 nominated Mr. Suresh Kumar Agarwal and letter dated July 24, 2020 Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare as Public Interest Directors (Independent Director) on the Board of the Exchange for a term prescribed in SECC Regulations, 2018 i.e. for a term of three years.

On receipt of approval of SEBI, the Board of the Exchange appointed Mr. Suresh Kumar Agarwal from June 27, 2020 and Mr. Vijay Kumar Sharma & Mrs. Chitra Shringare from July 25, 2020 as a Public Interest Director (Independent Director) for a period of 3 years from the above stated dates, subject to approval of shareholders.

As per definition for the Public Interest Director, contained in section 2(1) (o) of the SECC Regulations, 2018 Public Interest Director means an Independent Director. Therefore, Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare were appointed as an Additional Directors not liable to retire by rotation as per the procedure prescribed in the Companies Act, 2013 and rules thereunder.

The Company has received a declaration from Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare, 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. In the opinion of the Board, Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their appointment as a Public Interest Director (Independent Director) of the Company and is independent of the management.

Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given their consent to act as a Public Interest Director of the Company.

Accordingly, the Board recommends the Resolution at Item No. 2, 3 & 4 of the accompanying Notice for appointment of Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare as Independent Directors. None of the Directors or Key Managerial Personnel and their relatives, except Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare and relatives of Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare, 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**

**Sd/-  
Ishan Kukreja  
Company Secretary**

**Place: Navi Mumbai  
Date: December 5, 2020**

**Registered office:**  
1st Floor, Office - 109,  
Nodh No.-1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat GJ 395003 IN.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com)  
Phone: 0261-2609960  
CIN: U67120GJ2008PLC099142

**Details of Directors seeking 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	<b>Mrs. Chitra Shringare</b>	<b>Mr. Suresh Kumar Agarwal</b>	<b>Mr. Vijay Kumar Sharma</b>
Director Identification Number	08158196	01320750	02449088
Item No.	2	3	4
Date of Birth/ Age	17/04/1966 (54)	02/07/1954 (66)	19/12/1958 (62)
Date of First Appointment	25/07/2020	27/06/2020	25/07/2020
Brief Resume	<p>Ms. Chitra Shringare is a top performing leader in an investment-related operations role with significant knowledge of securitized credit, equities, fixed income, private debt, derivative instruments and general asset classes and strong understanding of private and public fund structures / vehicles. She is a merit list holder in B.sc Chemistry from Mumbai University. She has also done Senior Management Program from IIM Ahmedabad and has a membership of Harvard Square Leaders Excellence Forum and is qualified with IICA's Independent Directors Databank. Her core competencies includes Strategic Planning &amp; Implementation, Global Markets, Capital Markets, Investment Banking, Fund Administration, Treasury, Exchange Operations, Risk Mgmt,</p>	<p>Mr. Suresh Kumar Agarwal was an Ex-member of U. P. Electricity Regulatory Commission. He is a qualified professional in the field of accountancy, finance, corporate affairs and law. He has worked in social sector, civil engineering organisations and for the last 15 years in power sector. He has good understanding of regulatory issues, operational environment of electricity utilities, the emerging industry structure and performance improvement issues in the Sector. He holds an academic degree of B. Com and professional degrees of LL. B, Chartered Accountant and Company Secretary.</p>	<p>Mr. Vijay Kumar Sharma, is a post-graduate from Patna University. Mr. Sharma joined Life Insurance Corporation of India as Direct Recruit Officer in 1981. He got superannuated as Chairman, Life Insurance Corporation of India in the year 2018. He also served as Chairman (In charge) and Managing Director, Life Insurance Corporation of India and as a Managing Director &amp; Chief Executive Officer, LIC Housing Finance Limited (LICHFL).He has vast national and international, operational and Board level experience of Financial Sector including Banking, Housing Finance, Pension &amp; Group Insurance Business, Cards, Mutual Funds &amp; Pension Fund.</p>

	Asset & Wealth Mgmt, Product Management, Client Services, Business Development, Account Mgmt, Clearing & Settlement, Commodities Operations, Corporate Actions and Global Finance Operations. Her past experience includes senior level positions in various investment banks which inter alia includes J P Morgan services group, Deutsche Bank Group, SBI-SG global Securities Services.		
Expertise in specific functional area	Management & Administration, Risk Management, Financial Market, Technology, Market Infrastructure, Operations and Process Management	Finance & Accounting, Management & Administration, Financial Market and Economics, Capital Market studies	Economics, Finance & Accounting, Management & Administration
Number of Board meetings attended during the Financial Year 2019-20	N.A	N.A	N.A

Other Directorships (excludes Private / Foreign companies / Section 8 Companies)	NIL	NIL	<ul style="list-style-type: none"> <li>• TATA Steels Limited</li> <li>• Mahindra &amp; Mahindra Limited</li> <li>• Reliance Power Limited</li> <li>• Ambuja cements foundation</li> <li>• Vidarbha Industries Power Limited</li> <li>• NURECA Limited</li> </ul>
Chairman/Member of the Committees of the Board of Directors of other Public Limited companies in which he is a Director.	NIL	NIL	<ul style="list-style-type: none"> <li>• <b>Tata Steel Limited:</b></li> <li><b>Chairman:</b> Stakeholder Relationship Committee</li> <li>• <b>Reliance Power Limited</b></li> <li><b>Member-</b> Audit committee</li> <li><b>Chairman</b> -Nomination &amp; Remuneration Committee</li> <li><b>Member-</b> CSR Committee</li> <li><b>Chairman-</b> Stakeholder Relationship Committee</li> <li><b>Member-</b> Risk Management Committee</li> <li>• <b>Vidarbha Power industries limited</b></li> <li><b>Chairman-</b> Audit Committee</li> <li><b>Member-</b> Nomination &amp; remuneration Committee</li> <li><b>Chairman-</b> CSR Committee</li> </ul>
No. of Equity shares held in the Company	NIL	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	She is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.

Remuneration drawn, if any	NIL	NIL	NIL
Terms and Conditions of appointment / re-appointment.	Appointed as Non-Executive Director (Independent Director) not liable to retire by rotation.	Appointed as Non-Executive Director (Independent Director) not liable to retire by rotation.	Appointed as Non-Executive Director (Independent Director) not liable to retire by rotation.

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

**Sd/-  
Ishan Kukreja  
Company Secretary**

**Place: Navi Mumbai  
Date: December 5, 2020**

**Registered office:**  
1st Floor, Office - 109,  
Nodh No.-1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat GJ 395003 IN.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com)  
Phone: 0261-2609960  
CIN: U67120GJ2008PLC099142

## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 12<sup>th</sup> Annual Report along with the Audited Financial Statement and the Auditors' Report for the financial year ended March 31, 2020.

### FINANCIAL SUMMARY AND HIGHLIGHTS:

The financial results for the year ended March 31, 2020 and the corresponding figures for the last year are as under:-

(Amt. in Crores)			
Particulars	2019-20	2018-19	
Profit/(Loss) Before Depreciation & Tax	(37.88)	(24.61)	
Less: Depreciation / Amortization	4.44	3.96	
Profit/(Loss)After Depreciation & Before Tax	(42.32)	(28.57)	
Less: Provision for Deferred Tax (Exp.) / Credit	-	-	
Profit / (Loss) after Tax (A)	(42.32)	(28.57)	
Balance of Loss brought forward (B)	(162.57)	(134.00)	
Balance of Loss Carried Forward to Balance Sheet (A+B)	(204.89)	(162.57)	

The operating income for F.Y 2019-20 was ₹ 3.23 Crore as against ₹ 1.90 Crore in F.Y 2018-19. Other income during F.Y 2019-20 was ₹ 4.84 Crore as against ₹ 10.47 Crore in the F.Y 2018-19. The net loss after tax for the year ended March 31, 2020 stood at ₹ 42.32 Crore as against ₹ 28.57 Crore for the year ended March 31, 2019. The net worth as at March 31, 2020 stood at ₹129.37 crore.

### 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.

### 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.

During the period under review, your Company has launched Paddy Basmati Futures Contract on July 11, 2019 thereby marking another milestone.

Your Company is continuously working with an objective of launching innovative contracts which would serve economic benefit 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 had envisioned and has started a business in Mutual Fund Distribution Scheme and its related activities during the financial year 2019-20.

The average daily turnover during F.Y 19-20 was ₹ 156.41 crores as compared to ₹ 93.62 crores in F.Y 2018-19 (single side) with a total of 7098 clients traded on the Exchange . The total turnover of commodity futures traded on our Exchange for F.Y. 19-20 stood at ₹ 40,511.32 crore as against ₹ 24,060.95 crore in F.Y 2018-19. The total volume during F.Y 19-20 was 7,89,08,656 lots as compared to 5,55,00,358 lots in F.Y 18-19. Your Company has national reach with 138 SEBI registered members, having 1298 Authorised Persons, operating through 3340 terminals including Computer to Computer Link (CTCL) across 329 cities / towns across India as on March 31, 2020.

## **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.

In order to develop the commodity derivatives market and Mutual Funds, applicable to your Exchange, SEBI has brought the following reforms among others as under:-

- Participation of Eligible Foreign Entities (EFEs) in the commodity derivatives market;
- Participation of Foreign Portfolio Investors (FPIs) in Commodity Derivatives
- Uniformity in the procedure for obtaining samples of goods at the Exchange accredited warehouse;
- Total Expenses Ratio (TER) and performance Disclosure for Mutual Funds;
- Instant Access Facility (IAF) in Mutual Funds;
- Use of e-wallet for investment in Mutual Funds;
- Risk management norms for commodity derivatives;
- Strengthening of Cyber Security;
- Framework for position limits;
- Guidelines for liquidity Enhancement Schemes (LES) in Commodity Derivatives contracts.

## **SHARE CAPITAL:**

### **Authorised Share capital**

In order to facilitate fund raising in future via Rights issue/ Preferential allotment/ Private Placement etc. or for further requirements, if any, the Authorised Share Capital of the Company, increased, from existing Rs. 268,00,00,000/- (Rupees Two Hundred and Sixty Eight Crore only) to Rs. 368,00,00,000/(Rupees Three Hundred and Sixty Eight Crore only) - by creation of additional 20,00,00,000 (Twenty Crore) Equity shares of Rs. 5/- (Rupees Five only) each.

The Authorised Share Capital of the Exchange as on March 31, 2020 was ₹ 368,00,00,000/- (Rupees Three Hundred and Sixty Eight Crore only) divided in to 73,60,00,000 (Seventy Three Crore Sixty Lakh) Equity shares of ₹ 5/- (Rupee Five only) each.

#### **Issued, subscribed and paid-up capital**

As on March 31, 2020 , the issued, subscribed and paid-up Share Capital of the Exchange was ₹ 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/- (Rupee five only) each fully paid up.

#### **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. The ICEX Trust Fund as on March 31, 2020 stood at 12,55,41,516/-.

#### **INVESTOR SERVICE FUND (ISF)**

Pursuant to SEBI directives, 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 had contributed ₹ 10 lakh towards setting up the ISF. As on March 31, 2020 the balance in the account is ₹ 20,24,786/-.

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.

#### **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 annexed as Annexure I.

## **INTERNAL FINANCIAL CONTROLS:**

The Company has sound internal financial controls commensurate to the size and nature of its business. The internal financial controls are adequate and 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 or guarantees 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, 2020.

## **DIRECTORS:**

As per the provisions of SECC Regulations, the Governing Board of every recognised stock exchange shall include (a) Public Interest Directors (PID); (b) Shareholder Directors; and (c) Managing Director.

Mr. Vijay Kumar Sharma, Chairman of the Board, Ms. Chitra Shringare, Mr. Suresh Kumar Agarwal, are 'Public Interest Directors'. Mr. Sanjit Prasad is the Managing Director & CEO of your Company and is included in the category of 'Shareholder Director'.

During the year under review, Mr. Lav Chaturvedi resigned as a Shareholder Director with effect from September 30, 2019. The Board placed on record its appreciation for his valuable contributions.

SEBI vide its letter dated June 24, 2020 and July 24, 2020 approved nomination of Mr. Suresh Kumar Agarwal (DIN: 03120750) and Mr. Vijay Kumar Sharma & Ms. Chitra Shringare respectively as the Public Interest Directors of the Company.

The appointment of all the PIDs is for a period of 3 years from their respective effective appointment dates.

In terms of Section 152 of the Companies Act, 2013, Mr. Ajit Mittal (DIN: 02698115), Shareholder Director retired by rotation and was re-appointed as a Director under "Shareholder Director" category at the 11<sup>th</sup> Annual General Meeting (AGM) held on September 28, 2019 subject to the

approval of SEBI. Subsequently, SEBI approved his re-appointment as a “Shareholder Director” vide its letter dated October 25, 2019.

During the year under review, SEBI vide its letter ref. no. SEBI/HO/CDMRD/DEA/OW/P/2019/22643/1 dated August 30, 2019 approved the re-appointment of Mr. Sanjit Prasad as MD & CEO of the Exchange for a period of 5 years. Further, the approval of shareholders for the said appointment in the General meeting of the company under section 196 of the Companies Act, 2013.

During the year under review Dr. H. K. Pradhan, Chairman and Public Interest Director, Mr. J J Bhatt, Public Interest Director and Mrs. D Vijayalakshmi, Public Interest Director & Women Director resigned from the Board w.e.f. April 17, 2020, July 26, 2020 respectively. The Company places on record its appreciation towards valuable contributions made by them during their tenure as Directors of the Company.

“Public Interest Director” under the SECC Regulations, 2018 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.

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 7 (seven) times during the financial year i.e. on April 25, 2019, June 18 , 2019, August 09, 2019, September 03 , 2019, November 14, 2019, February 12, 2020 and March 20,2020.

#### **SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

## **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, 2020:

- (a) Mr. Sanjit Prasad – Managing Director and Chief Executive Officer
- (b) Mr. Ghanashyam V. Rao - Chief Financial Officer
- (c) Mr. Ishan Kukreja – Company Secretary

During the year under review, the Board on recommendation of Nomination and Remuneration Committee appointed Mr. Ishan Kukreja, as Company Secretary and designated Whole-time Key Managerial Person of the Company with effect from February 12, 2020.

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

## **AUDIT COMMITTEE:**

The Audit Committee comprised of 3 (three) Directors as on March 31, 2020 i.e Dr. H.K Pradhan (Chairman of the Committee), Mr. J.J. Bhatt, Public Interest Director, Mrs. D. Vijayalakshmi Public Interest Director.

Due to resignation of Dr. H. K. Pradhan, Mr. J. J. Bhatt and Mrs. D. Vijayalakshmi, the committee got re-constituted on July 27, 2020. The current composition as on the date of signing this report is as follows:

Mr. Suresh Kumar Agarwal	Chairman & PID
Mrs. Chitra Shringare	PID
Mr. V K Sharma	PID

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

## **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 <https://www.icexindia.com/about-us/disclosures>. The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <https://www.icexindia.com/about-us/disclosures>.

## **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, 2018.

**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 no complaints of sexual harassment were received by the Company.

**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 the immediate preceding financial year, 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 Public Interest Directors, Committees of Board. The Nomination and Remuneration Committee 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.

The performance evaluation reports of respective committees and the Board members were reviewed by the Chairman of the Board. Based on these reports, the Board was apprised on the outcome of performance evaluation exercise.

The Directors expressed their satisfaction with the evaluation process.

**INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO RULE 17 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957**

Detailed information pursuant to Rule 17 of the Securities Contracts (Regulation) Rules, 1957 is enclosed as Annexure-VI

**RISK MANAGEMENT:**

The Company has a well-defined risk management framework in place. Your Company has constituted a Risk Management Committee 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: <https://www.icexindia.com/about-us/disclosures>.

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

#### **CORPORATE GOVERNANCE:**

Pursuant to the Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018 ("SECC Regulations"), 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, a report on Corporate Governance covering amongst others, composition, details of meetings of the Board and Committees as at March 31, 2020 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:**

##### **STATUTORY AUDITOR'S:**

M/s. Chaturvedi and Shah LLP, Chartered Accountants (Firm Registration No. 101720W), were appointed as Statutory Auditors of your Company at the Annual General Meeting held on December 22, 2018 for a term of five years i.e. for F.Y. 2018-19 and F.Y. 2022- 23.

The Company has received a certificate from M/s. Chaturvedi and Shah LLP, Chartered Accountants, confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

M/s. Chaturvedi and Shah LLP, Chartered Accountants have submitted Auditors Report on the accounts of the Company for the accounting year ended March 31, 2020. 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.

##### **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 M/s. AVS & Associates, Company Secretaries to undertake the Secretarial Audit of

the Company for the year ended March 31, 2020. 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 Auditors 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.

**EXTRACT OF THE ANNUAL RETURN:**

An extract of Annual Return 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:**

**A. Conservation of Energy**

The Company continuously strives to optimize its energy usage and efficiency. Following are some of the initiatives taken by the Exchange:

1. Our building has glass windows all around and we also use the LED lights in place of CFL (compact fluorescent lamp) & Pear lights for lighting purposes. This reduces the electricity consumption due to lesser need of lighting during the day.
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.

## **B. Technology absorption, Adaptation and Innovation**

The trading technology for ICEX has been provided by Millennium Information Technology 100% subsidiary of London Stock Exchange. The Technology at the Exchange has been designed to provide high performance, reliability and high availability of systems with an emphasis on recent advancements in multi core technology and low latency interconnects. ICEX technology architecture is supported by global standard messaging FIX 5.0 for various gate ways for different functionality, so that the System can achieve maximum performance & throughput. Software fault tolerance is implemented at the application level. Two identical processes are designated primary and secondary to run on two separate machines. Each application can be monitored up to individual thread levels, allowing failover/re-starts to happen within seconds of a failure.

### **Core Exchange Platform**

Our core exchange platform consists of the following:

- Exchange;
- Surveillance;
- Clearing and settlement system;
- FIX different gateways system;
- In Built data warehousing;

The Trading system is fully redundant for Matching, Surveillance and C&S level and there is no single point failure at primary site. All the data are stored in a fiber channel-based storage area network with redundancy features.

The core trading platform and clearing and settlement systems are protected by redundant firewalls in a load-balancing and high-availability mode. Additional security measures in the form of an intrusion detection and prevention system (“IPS”) are also implemented to protect our trading platform.

### **Fault tolerance**

Trading platform is designed for High Availability. This implies the system should be able to provide uninterrupted service despite process, machine, network or database failures. Since trading is a time critical business it is vital that in the event of a failure the system can adapt in such a way as not to hinder trading. All the processes in EXCHANGE have at least 2 instances running at any given time, a primary instance and a replica (or mirror/secondary) instance. These multiple instances provide EXCHANGE the ability to failover and achieve high availability. If any of the processes fails then the secondary or mirror process takes over seamlessly and there is no impact. The primary and mirror processes are configured on separate servers to provide a complete fault tolerant solution.

The primary and replica are two deterministic processes. The primary and replica are initialized with the same initial conditions at startup. All state changes happen as a result of received messages. There is no internally generated state. The Input process ensures the same message stream is seen by both the primary and the replica process which in turn performs identical computations on the received message and hence remains state synchronous.

### **Connectivity**

Our members can access our online trading platform through various means of secured connectivity, including:

- **Point-to-point leased lines:** Point-to-point data circuits of variable bandwidth from 1Mbps to 2Mbps from multiple service providers, leased by our members and used to connect to our Exchange;
- **Multi-protocol label switching virtual private networks (“MPLS VPN”) leased lines:** MPLS VPN data circuits of variable bandwidth 2Mbps are leased by our members from Airtel and TATA Communications Ltd. to connect to the Exchange.
- **Internet:** Members can also use the internet to connect to the electronic trading platform of our Exchange through a secured VPN.

### **Hot synchronous backup site**

In this mode all orders, quotes, trades and all other state is replicated to the backup site synchronously. In case of a primary site disaster the system can failover to the backup site within few seconds for Exchange system. The advantage of this scheme is that the full recoverability of all state and the transparency to the end users. This also ensures Zero data loss and data integrity at both the sites in event of any disaster. ICEX has implemented near site to achieve zero data loss. Data is replicated to near site in synchronous mode. Synchronous data transfer between primary and near site ensures high level of data integrity.

### **Data security**

ICEX complies with all controls mandated by SEBI Cyber Security & Cyber Resilience Framework. The Exchange conducts the comprehensive system audit through independent system auditor. In order to promote information security within the exchange, ICEX continues to retain the ISO/IEC 27001:2013 with robust ISMS framework to protect information Assets and technology resources that supports the operation of the organization which are critical for its functioning.

### **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 ₹ 2,47,09,432 /-.

### **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 for the FY 2019-20:-

1. In the preparation of the annual accounts for the Financial Year ended March 31, 2020, 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, 2020 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, , Securities and Exchange Board of India, Reserve Bank of India, NSDL, CCRL, AMCs, RTA's technology partners and all other business associates of the Company. The Directors are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. Your Directors appreciate and value the contribution made by every employee of ICEX.

### **For and on behalf of the Board of Directors**

**Mr. V K Sharma**  
**Chairman**  
**DIN: 02449088**

**Ms. Chitra Shringare**  
**Public Interest Director**  
**DIN: 08158196**

**Date: December 5, 2020**  
**Place: Navi- Mumbai**

**Mr. S K Agarwal**  
**Public Interest Director**  
**DIN: 01320750**

**Mr. 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:**

<b>Sr. no.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	<b>Not Applicable</b>
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions 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:**

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

**For and on behalf of the Board of Directors**

**Mr. V K Sharma**  
Chairman  
DIN: 02449088

**Ms. Chitra Shringare**  
Public Interest Director  
DIN: 08158196

**Date: December 5, 2020**  
**Place: Navi- Mumbai**

**Mr. S K Agarwal**  
Public Interest Director  
DIN: 01320750

**Mr. 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, 2018.**

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	49	Managing Director & CEO	11,179,142	25	01.09.2016	Metropolitan Stock Exchange of India Limited
2	Mr. Rashim Bagga	50	Vice President- BD Mutual fund	4,45,205	18	05.3.2020	Pramerica Life
3	Mr. Ranjit Samantaray * B.Com (Hons), LLB, ACS & CFC (Canada)	56	Chief Regulatory Officer	56,36,948	29	16.10. 2015	Universal Commodity Exchange Limited
4	Mr. Ghanashyam V. Rao * B.Com, DMS, MBA (Finance)	52	Chief Financial Officer	58,18,164	32	03.11.2015	Metropolitan Stock Exchange of India Limited
5	Mr. Sushil Limbulkar * BE , MBA	47	Chief Technology Officer	49,41,358	25	04.12.2015	Metropolitan Stock Exchange of India Limited
6	Mr. Pradeep Mishra * M.Sc. (Ag. Eco) & PGPABM	45	Deputy Vice President -Investors Protection, Grievance, Services and Arbitration	25,79,508	18	18.02.2016	Price Waterhouse Cooper Pvt. Ltd.
7	Mr. Sushil Mishra * B.Sc, MMS (Finance), PG Diploma in Treasury & Forex Mgmt.	40	Asst. Vice President - Surveillance	25,45,396	18	27.04.2015	Universal Commodity Exchange Limited
8	Mr. Saroj Nanda * BA Economics (Hons), MBA.	39	Chief Manager - Clearing & Settlement	10,84,829	16	27.04.2015	Universal Commodity Exchange Limited
9	Mr. Praveen Acharya * B.Com & CFA (ICFAI)	42	Chief Manager - Membership	15,79,940	22	01.02.2016	Metropolitan Stock Exchange of India Limited
10	Mr. Vasu Patta	44	AVP HR & Admin	15,00,002	21	30.09.2019	NBHC

11	Mr. Narayanaswamy Iyer * M.Com, CA	43	Deputy Vice President - Enforcement	34,50,287	18	09.11.2015	Reliance Asset Reconstruction Co. Ltd
12	Mrs. Anshu Bharti * B.Sc, MBA (AGRI BUSINESS)	40	Senior Manager - Risk Management	68,725	15	09.02.2016	Forward Market Commission
13	Ms. Shweta Gujar* # B.Com; ACS	32	Manager - Company Secretary	3,83,329	6	01.04.2017	SKIL Group
14	Mr. Ishan Kukreja* M com; ACS	30	Company Secretary	66,667	3	06.03.2019	B. E. Billimoria & company Limited

\*Total remuneration stated above includes Performance Link Bonus (PLB) as per SECC Regulation, 2018 of SEBI.

# Ms. Shweta Gujar had resigned from the Exchange on September 13, 2019.

# Mrs. Anshu Bharti had resigned from the Exchange on September 27, 2019

# Mr. Saroj Nanda had resigned from the Exchange on November 1, 2019# Mr. Vasu Patta joined as AVP HR & Admin on September 30, 2019 & resigned on September 16, 2020

Mr. Ishan Kukreja was appointed as KMP w.e.f February 12, 2020.

Mr. Rashim Bagga has Vice President BD Mutual fund on March 5, 2020

**Notes:**

1. Remuneration as shown above includes Salary and other benefits, other Allowances, Contribution to Provident Fund, taxable value of perquisites, 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**

**Mr. V K Sharma**  
Chairman  
DIN: 02449088

**Ms. Chitra Shringare**  
Public Interest Director  
DIN: 08158196

**Date: December 5, 2020**  
**Place: Navi- Mumbai**

**Mr. S K Agarwal**  
Public Interest Director  
DIN: 01320750

**Mr. 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.
- 2.5 To formulate and specify criteria/manner for evaluation of performance of Board, its committee and individual Directors.

#### **3. Scope**

The Board has constituted the "Nomination and Remuneration Committee" in line with the requirements under the provisions of the Companies Act, 2013 and SECC Regulations, 2018. 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" (KMP) under Companies Act, 2013 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) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
- (vi) such other officer as may be prescribed under the Companies Act, 2013;
- (vii) KMP as per SECC Regulations, 2018 and

**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 chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

## **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. The requirements prescribed by SEBI from time to time in this regard shall also be followed while determining the remuneration.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees and travel arrangements 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 Bonus;

(vii) Additional benefits such as Term Insurance, Personal Accidental and Medclaim covers.

5.2.6 The Annual financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and any additional incentives will be proposed based on the achievements.

### **5.3 Performance Evaluation Process**

- Performance evaluation of entire board shall be done by the Public interest Directors in their meeting.
- Performance evaluation of Committees shall be done by the Board of Directors (Excluding the committee members being evaluated).
- Performance evaluation of Individual Director shall be done by the Board of Directors.
- Performance evaluation of Chairperson, Managing Director, Non -Executive Director and Executive Director shall be done by Public Interest Directors in their meeting.

The policy for performance evaluation of Public Interest Directors also be followed as may be approved by the Board.

### **5.4 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 based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs within the industry.

## **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**

- i. The NRC may review the Policy as and when it deems necessary.
- ii. In case of any subsequent changes in the provisions of the Companies Act, 2013, SECC Regulations or any other Act, Rules, Regulations thereunder time being in force which makes any of the provisions in the policy inconsistent with the Act, Rules or Regulations then the provisions of the Act, Rules or Regulations would prevail over the policy and the policy would be modified in due course to make it convenient with law.

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 behavior.
- 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 behaviors 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/ assess 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 behavior 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

**FORM NO. MR.3**

**SECRETARIAL AUDIT REPORT**

*For the Financial Year Ended 31<sup>st</sup> March, 2020*

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

**Indian Commodity Exchange Limited**

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

HatFaliyu, Mahidharpura, Surat -395003,Gujarat, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indian Commodity Exchange Limited** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/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 ended on 31<sup>st</sup> March, 2020 (**‘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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup>March, 2020 according to the provisions of:

The Companies Act, 2013 (**‘the Act’**) and the rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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 not applicable to the Company during the audit period**)

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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not applicable to the Company during the audit period);**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not applicable to the Company during the audit period);**
- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period);**
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period).**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent as referred in regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 on test-check basis, the Company has complied with the following law applicable specifically to the Company:

- Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda items were sent at least seven days in advance and 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the Company has taken approval of its Shareholders in form of Ordinary Resolution in the Annual General Meeting held on 28<sup>th</sup> September, 2019 to Increase the Authorised Share Capital of the Company from Rs. 268,00,00,000/- (Rupees Two Hundred Sixty Eight Crore only) divided in to 53,60,00,000 (Fifty Three Crore Sixty Lakh) equity shares of Rs.5/- (Rupees Five only) each to Rs.368,00,00,000/- (Rupees Three Sixty Eight Crore only) divided in to 73,60,00,000 (Seventy Three Crore Sixty Lakh) equity shares of Rs.5/- (Rupees Five only).

**For AVS & Associates  
Company Secretaries**

**Anand Mukherjee  
Partner  
Mem. No: A40485  
C.P. No: 16883  
UDIN: A040485B001416046**

**Place: Kalyan, Thane  
Date: December 05, 2020**

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

To,  
The Members  
**Indian Commodity Exchange Limited**  
1<sup>st</sup> Floor, Office - 109, Nodh No.-1158 to 63/65/9,  
HatFaliyu, Mahidharpura, Surat -395003,Gujarat, India

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

1. Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
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 check 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 major events during the audit period.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

7. Due to lockdown in the state because of COVID-19, we were not able to personally visit at the office of the company for verification of documents physically and hence obtained all the documents, details, information in electronic mode and take necessary explanations, clarifications and representations either telephonically or electronically whenever required.

**For AVS & Associates  
Company Secretaries**

**Anand Mukherjee  
Partner  
Mem. No: A40485  
C.P. No: 16883  
UDIN: A040485B001416046**

**Place: Kalyan, Thane  
Date: December 5, 2020**

**ANNEXURE V**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on March 31, 2020**

**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	<b>INDIAN COMMODITY EXCHANGE LIMITED</b>
4.	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company.
5.	Address of the Registered Office & Contact Details	1 <sup>st</sup> Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat- 395003, Gujarat. Tel. No : +91- 261-2609960/3009960
6.	Address of the Corporate Office & Contact Details	Reliable Tech Park, 403-A, B-Wing, 4 <sup>th</sup> 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.	KFin Technologies Private Limited Selenium Tower B, Plot numbers 31 & 32 Nanakramguda, Financial District, Gachibowli Hyderabad - 500 032 Email: einward.ris@kfintech.com Tel.No.: +91-040-6716 2222 Tel. No.: +91-040-6716 2222

**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:**

Sr. 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:**

Sr. 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, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change the during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	3,20,00,000		3,20,00,000	6.00%	3,20,00,000		3,20,00,000	6.00%	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	13,44,06,671	--	13,44,06,671	25.19%	13,44,06,671	--	13,44,06,671	25.19%	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
<b>Sub-total of (A)(1)</b>	<b>16,64,06,671</b>	--	<b>16,64,06,671</b>	<b>31.19%</b>	<b>16,64,06,671</b>	--	<b>16,64,06,671</b>	<b>31.19%</b>	--
(2) Foreign									
<b>Foreign</b>	--	--	--	--	--	--	--	--	--
<b>Sub-Total of (A) (2)</b>	--	--	--	--	--	--	--	--	--
<b>Total Promoter Shareholding (A)=(A)(1)+ (A)(2)</b>	<b>16,64,06,671</b>	--	<b>16,64,06,671</b>	<b>31.19%</b>	<b>16,64,06,671</b>	--	<b>16,64,06,671</b>	<b>31.19%</b>	--

<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	4,11,18,720	--	4,11,18,720	7.71%	3,61,18,720	--	3,61,18,720	6.77	(0.94)%--
c) Central Govt.	5,89,63,956	--	5,89,63,956	11.05%	5,89,63,956	--	5,89,63,956	11.05%	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others:									
1.Co-operative Society	2,11,90,078	-	2,11,90,078	3.97%	2,11,90,078	-	2,11,90,078	3.97%	-
2. Deputy Director (PMLA), Directorate of Enforcement Ahmedabad*	4,82,09,060	-	4,82,09,060	9.04%	4,82,09,060	-	4,82,09,060	9.04%	-
<b>Sub-total (B)(1):-</b>	<b>16,94,81,814</b>	<b>-</b>	<b>16,94,81,814</b>	<b>31.77%</b>	<b>16,44,81,814</b>	<b>-</b>	<b>16,44,81,814</b>	<b>31.77%</b>	<b>-</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14,00,84,340		14,00,84,340	26.26%	13,81,63,278		13,81,63,278	25.89	(0.37%)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,16,064	--	3,16,064	0.05%	5,89,570	--	5,89,570	0.11%	0.06%

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,43,87,987	--	5,43,87,987	10.19%	6,32,50,143	--	6,32,50,143	11.38%	1.19%
c) Others (specify)	--	--	--	--	--	--	--	--	--
Non Resident Indians	26,25,000	--	26,25,000	0.49%	1,35,000		26,35,000	0.49%	--
HUF	2,04,500	--	2,04,500	0.04%	4,81,000		4,81,000	0.09%	0.05
LLP	1,100	--	1,100	0.00%	--	--	--	--	--
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
Sub-total (B)(2):-	19,76,18,991	--	19,76,18,991	37.04%	20,26,18,991	-	20,26,18,991	37.97	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	36,71,00,805	--	36,71,00,805	68.81%	36,71,00,805	-	36,71,00,805	69.74	--
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>53,35,07,476</b>	<b>--</b>	<b>53,35,07,476</b>	<b>100.00%</b>	<b>53,35,07,476</b>	<b>--</b>	<b>53,35,07,476</b>	<b>100.00%</b>	<b>--</b>

\*4,82,09,060 (pre-merger 46,42,629 shares of NMCE) equity shares held by Neptune Overseas Limited had been attached by Enforcement Directorate, which have been taken possession by Deputy Director, PMLA, Directorate of Enforcement, Ahmedabad by way of transfer of said shares in its favor vide order ref: ECIR/02/AZO/2013/462 and ECIR/02/AZO/2013/466 dated July 3, 2017 addressed to MCS Share Transfer Agent Limited (Share Transfer Agent of erstwhile NMCE).

**B) Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% 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#	3,00,00,000	5.62%	---	3,00,00,000	5.62%	---	--
2.	MMTC Limited#	3,20,00,000	6.00%	---	3,20,00,000	6.00%	---	--
3.	Reliance Exchangenext Limited#	8,71,00,000	16.33%	---	8,71,00,000	16.33%	---	--
4.	Reliance Corporate Advisory Services Limited*	1,73,06,671	3.24%	---	1,73,06,671	3.24%	---	--

\*Person acting in concert (PAC) with Reliance Exchangenext Limited

# SEBI vide its letter No. SEBI/HO/CDMRD/DEA/OW/P/2019/12974/2 dated May 23, 2019 directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend to the shareholders holding shares over and above the permitted limits under SECC Regulations, 2018 till compliance with SECC Regulations, 2018 or a period of nine months.

Further, SEBI vide its various letters has granted time upto December 31, 2020 or till compliance of shareholding with SECC Regulations, 2018 to the non-compliance shareholders.

In view of the directives of SEBI in above letters, the equity shares below shareholders are restricted for voting and for receiving corporate benefits including dividend/Bonus etc. over and above 5% of the paid-up capital of the Exchange till compliance of shareholding with SECC Regulations, 2018.

1. Reliance Exchangenext Limited;
2. Central Warehousing Corporation;

3. Deputy Director (PMLA) Directorate of Enforcement, Ahmedabad;

4. Indiabulls Housing Finance Limited;

5. MMTC.

**C) Change in Promoters' Shareholding:**

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NIL	NIL	NIL	NIL	NIL

**D) Shareholding Pattern of top ten Shareholders:**

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

SN	NAME	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity)			Cumulative shareholding during the year (01-04-19 to 31-03-2020)	
		No. of Shares at the beginning	% of total shares of the Company	Date	Increase (I)/ Decrease (D) in shareholding	Reason	No. of shares	% of total shares of the company
1	Central Warehousing Corporation	58963956	11.05	-	-	-	5,89,63,956	11.05
2	Deputy Director (PMLA) Directorate Of Enforcement, Ahmedabad	48209060	9.04	-	-	-	4,82,09,060	9.04
3	Indian Potash Limited	26800000	5.02	19/04/2019 to 26/04/2019	125000 (D)	Sale of Shares	2,66,75,000	5.00
4	Bajaj Holding and Investment Limited	25440800	4.77	-	-	-	2,54,40,800	4.77
5	Asian Star Company Limited	16750000	3.14	-	-	-	1,67,50,000	3.14
6	Akhil Kumar Gupta	16750000	3.14	-	-	-	16,75,000	3.14
7	Vijay Sharma	16750000	3.14	-	-	-	1,67,50,000	3.14
8	Punjab National Bank	16118720	3.02	-	-	-	1,61,18,720	3.02
9	Abhinay Trading Private Limited	16000000	3.00	-	-	-	1,60,00,000	3.00
10	Krishak Bharati Cooperative Ltmited	13400000	2.51	-	-	-	1,34,00,000	2.51

**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	--	--	--	--

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

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

## VI. 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	1,04,61,632/-	--	--	1,04,61,632/-
	(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)	1,04,61,632/-	--	--	1,04,61,632/-
	Ceiling as per the Act	As per The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.			

### B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total
		Mrs. D Vijayalakshmi	Dr. H. K. Pradhan	Mr. J. J. Bhatt	--
1	Independent Directors	--	--	--	--
	Fee for attending Board & Committee Meetings	2,80,000/-	2,80,000/-	3,50,000/-	9,10,000/-
	Commission	--	--	--	--
	Others, please specify	--	--	--	--

	<b>Total (1)</b>	2,80,000/-	2,80,000/-	3,50,000/-	9,10,000/-
2	<b>Other Non-Executive Directors</b>	--	--	--	--
	<b>Fee for attending Board &amp; Committee Meetings</b>	--	--	--	--
	<b>Commission</b>	--	--	--	--
	<b>Others, please specify</b>	--	--	--	--
	<b>Total (2)</b>	--	--	--	--
	<b>Total (B)=(1+2)</b>	2,80,000/-	2,80,000/-	3,50,000/-	9,10,000/-
	<b>Total Managerial Remuneration</b>	2,80,000/-	2,80,000/-	3,50,000/-	9,10,000/-
	<b>Overall Ceiling as per the Act</b>				

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

SN	Particulars of Remuneration	Key Managerial Personnel				
		CEO	*CS (Shweta Gujar)	#CS (Ishan Kukreja)	CFO (Ghanashyam V. Rao)	Total
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	3,70,493/-	66,667	57,16,506/-	<b>61,53,666/-</b>
	(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	--	--		--	--
	<b>Total</b>	--	3,70,493/-	66,667	57,16,506/-	<b>61,53,666/-</b>

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

\* Ms. Shweta Gujar, CS resigned from September 13, 2019.

# Mr. Ishan Kukreja, CS appointed w.e.f February 12, 2020.

**VII. 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)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

**For and on behalf of the Board of Directors**

**Mr. V K Sharma**  
**Chairman**  
**DIN: 02449088**

**Ms. Chitra Shringare**  
**Public Interest Director**  
**DIN: 08158196**

**Date: December 5, 2020**  
**Place: Navi- Mumbai**

**Mr. S K Agarwal**  
**Public Interest Director**  
**DIN: 01320750**

**Mr. 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 2019-20, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sr. No.	Name of Director/KMP and Designation.	% increase (decrease) in Remuneration / Sitting Fees in the Financial Year 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Dr. H. K. Pradhan Public Interest Director	Not applicable	Not applicable
2.	Mr. Ajit Mittal Shareholder Director	Not applicable	Not applicable
3.	Mr. J. J. Bhatt Public Interest Director	Not applicable	Not applicable
4.	Mr. Lav Chaturvedi Shareholder Director (upto September 30, 2019)	Not applicable	Not applicable
5.	Mrs. D. Vijayalakshmi Public Interest Director	Not applicable	Not applicable
6.	Mr. Sanjit Prasad Managing Director and CEO	9%	16.27%
7.	Mr. Ghanashyam V. Rao Chief Financial Officer	5%	Not applicable
8.	Ms. Shweta Gujar Company Secretary (upto September 13, 2019)	5%	Not applicable
9.	Mr. Ishan Kukreja Company Secretary (wef February 12, 2020)	0%	Not applicable

- II. The percentage increase in the median remuneration of employees in financial year 2019-20 as compared to previous year 2018-19 is 11.74%
- III. There were 105 permanent employees on the rolls of Company as on March 31, 2020;
- IV. There was a decrease of 6.63% in the employee cost.
- V. The total remuneration of Key Managerial Personnel decreased by 1.74% from Rs.1.63 crore in 2018-19 to Rs. 1.60 crore in 2019-20. The Net Loss for the financial year 2019-20 is Rs. 42.32 crores

- VI. The net worth of the company as at March 31, 2020 was Rs. 129.37 crore and as at March 31, 2019 was Rs 191.82 crore.
- VII. The Exchange had a low attrition of staff from strength of 108 as on March 31, 2019 to 105 as on March 31, 2020. There was a marginal increase of 23.39 % in the salaries of employees other than the Key Managerial personnel in the last financial year as compared to a 1.74% decrease 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**

**Mr. V K Sharma**  
**Chairman**  
**DIN: 02449088**

**Ms. Chitra Shringare**  
**Public Interest Director**  
**DIN: 08158196**

**Date: December 5, 2020**  
**Place: Navi- Mumbai**

**Mr. S K Agarwal**  
**Public Interest Director**  
**DIN: 01320750**

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

## ANNEXURE VI

### INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO RULE 17 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

#### **RULE 17 (1)(a) CHANGES IN RULES AND BYE-LAWS**

There were no changes made to the Bye Laws & rules of the Exchange during the year 2019-20.

#### **RULE 17 (1)(b) CHANGES IN THE COMPOSITION OF THE GOVERNING BODY:**

During the year, Mr. Lav Chaturvedi resigned as Shareholder Director of the Exchange on September 30, 2019.

#### **RULE 17 (1)(c) SUB-COMMITTEES SET UP, CHANGES IN THE COMPOSITION OF EXISTING ONES:**

The following are the Committees of the Exchange as on March 31, 2020:

##### **1. Audit Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Dr.H. K. Pradhan	Dr.H. K. Pradhan
2.	Mrs. D. Vijayalaxmi	Mrs. D. Vijayalaxmi
3.	Mr. J. J. Bhatt	Mr. J. J. Bhatt
4.	Mr. Lav Chaturvedi*	---

\* Ceased to be the director of company w.e.f September 30, 2019

##### **2. Nomination and Remuneration Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Mr. J. J. Bhatt	Mr. J. J. Bhatt
2.	Dr.H. K. Pradhan	Dr.H. K. Pradhan
3.	Mrs. D. Vijayalaxmi	Mrs. D. Vijayalaxmi

##### **3. Risk Management Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Dr.H. K. Pradhan	Dr.H. K. Pradhan
2.	Mrs. D. Vijayalaxmi	Mrs. D. Vijayalaxmi
3.	Mr.Sanjay Chandel - External Expert	Mr.Sanjay Chandel - External Expert

#### **4. Standing Committee on Technology**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Mr. J. J. Bhatt	Mr. J. J. Bhatt
2.	Dr.H. K. Pradhan	Dr.H. K. Pradhan
3.	Mrs. D. Vijayalaxmi	Mrs. D. Vijayalaxmi
4.	Mr.Dilip Oak -External Expert	Mr.Dilip Oak -External Expert
5.	Mr.Jagannath Kulkarni -External Expert	Mr.Jagannath Kulkarni -External Expert

#### **5. Member and Core Settlement Guarantee Fund Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Dr.H. K. Pradhan	Dr.H. K. Pradhan
2.	Mr. J. J. Bhatt	Mr. J. J. Bhatt
3.	Mr. Sanjit Prasad	Mr. Sanjit Prasad

#### **6. Advisory Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Dr.H. K. Pradhan	Dr.H. K. Pradhan
2.	Mrs. D. Vijayalaxmi	Mrs. D. Vijayalaxmi
3.	Mr. J. J. Bhatt	Mr. J. J. Bhatt
4.	Mr. Vijay Kedia- Trading Member	Mr. Vijay Kedia- Trading Member
5.	Ms. Rebecca Raxy- Trading Member	Ms. Rebecca Raxy- Trading Member

#### **7. Regulatory Oversight Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Mr. J. J. Bhatt	Mr. J. J. Bhatt
2.	Mrs. D. Vijayalaxmi	Mrs. D. Vijayalaxmi
3.	Mr. Sanjay Chandel – External Expert	Mr. Sanjay Chandel – External Expert

#### **8. Public Interest Directors Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Mrs. D. Vijayalaxmi	Mrs. D. Vijayalaxmi
2.	Dr.H. K. Pradhan	Dr.H. K. Pradhan
3.	Mr. J. J. Bhatt	Mr. J. J. Bhatt

## **9. Grievance Redressal Committee**

<b>Sr. No.</b>	<b>MEMBERS AS ON MARCH 31,2019</b>	<b>MEMBERS AS ON MARCH 31,2020</b>
1.	Mr. Sanjay Chandel – External Expert	Mr. Sanjay Chandel – External Expert
2.	Mr.Dilip Oak -External Expert	Mr.Dilip Oak -External Expert
3.	Mr.Jagannath Kulkarni -External Expert	Mr.Jagannath Kulkarni -External Expert

### **RULE 17 (1)(d) DETAILS ADMISSIONS, RE-ADMISSIONS, DEATH OR RESIGNATIONS OF MEMBERS:**

<b>Particulars</b>	<b>F Y 2019-2020</b>
Admissions of Members	15
Re-admissions of Members	Nil
Death	Nil
Resignations/Surrender of members	17

### **RULE 17 (1)(e) DETAILS OF DISCIPLINARY ACTION TAKEN AGAINST MEMBERS:**

The Exchange has imposed fines/penalties on members and taken other disciplinary actions (viz. declared the concerned member(s) as defaulter) for violation of rules, Bye Laws, Regulations/ circulars issued by the Exchange/ pursuant to SEBI directives.

### **RULE 17 (1)(f) ARIBITRATION OF DISPUTES:**

No. of arbitration of disputes: 2 (Two)

### **RULE 17 (1)(g) DEFAULTS:**

No. of Members Defaulted: 1(One)

### **RULE 17 (1)(h) ACTION TAKEN TO COMBAT ANY EMERGENCY IN TRADE**

There was no incident of any emergency in trade during the financial year 2019-20.

### **RULE 17 (1)(i) SECURITIES LISTED AND DE-LISTED**

Not Applicable.

### **RULE 17 (1)(j) SECURITIES BROUGHT ON OR REMOVED FROM THE FORWARD LIST**

Not Applicable.

## 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 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. The Exchange launched Steel Long contract on August 28, 2018 exactly after completion of one year of re-commencement of trading operation.. On July 11, 2019 Paddy Basmati derivative contract was launched. The Exchange has now 14 different commodity derivatives contracts available for trading on its platform. The Exchange has plans to introduce innovative contracts from time to time and keep its position as an innovative Exchange. On December 27, 2019 the Exchange launched ICEX MF Platform, a mutual fund platform to facilitate transactions in Mutual Fund.

As per SEBI requirement and in compliance with the SECC Regulations, 2018, the Exchange has outsourced its services with respect to clearing, settlement, deliveries, risk management services and any other applicable post trade services to the extent and in manner prescribed and required under the SECC Regulations to Metropolitan Clearing Corporation of India Limited (“MCCIL”) by signing the Clearing and Settlement agreement with MCCIL.

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 whose systems are used by exchange businesses around the world. 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.

## **Indian Economic Overview:**

India's growth rate is projected to decelerate to five per cent in 2019-20 amid enduring financial sector issues, according to a World Bank report, which said the country's GDP was likely to recover to 5.8 per cent in the following financial year. India's GDP growth is seen dipping to an 11-year low of 5 per cent in the current fiscal, mainly due to poor showing by manufacturing and construction sectors.

The reasons for this consistent downward growth trajectory are multi-fold. The large-scale defaults and governance issues in few large non-banking financial institutions resulted in liquidity squeeze in the corporate debt markets. This not only hurt some of the larger corporates, but also severely impacted the mid and small-size companies as the lending channels practically froze. At the same time, the vagaries of the monsoon – extended monsoon in some regions and deficit rainfall in others – also adversely impacted the rural sector. The easy monetary policy regime implemented by the Reserve Bank of India as well as measures taken by the Central Government like sharp reduction in corporate tax rates have not helped the economy get back to its growth trajectory.

## **INDUSTRY STRUCTURE, OPPORTUNITIES, CONCERNS AND OUTLOOK:**

The bygone year was steeped with uncertainties for India's commodity markets. A slackened growth of the economy, US-China trade war, weak currency due to frequent monetary easing and downgrades by multiple agencies, and a firm dollar as compared to rupee and the aggravated US-Iran war-like conditions, are some of the factors which have led to the commodity markets' lackluster performance.

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Exchange, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our stakeholders. India too has not been spared from the exponential spread of COVID-19. The Government of India had initially declared a 21-day nationwide lockdown, extended to more than 60 days in most parts of the country, to tackle the challenge posed by the COVID-19 pandemic. The proactive intervention by the Government, particularly in terms of implementing a lock-down despite the threat to economic growth has helped to contain the spread in India.

Until 2015, commodity futures market was regulated by Forward Market Commission (FMC). In 2015, after the merger of FMC with Securities and Exchange Board of India (SEBI), SEBI became the regulator of commodity future market. Commodity Exchanges play a vital role in promoting growth, transparency and efficiency of the commodity futures markets. This role is defined by their functions, infrastructure capabilities, trading procedures, settlement and risk management practices.

Commodity is now recognised as an asset class and commodity futures provides the window to the market participants for this new asset class other than equity, bond and physical real estate market. It provides an opportunity to hedging and also diversifies investor's portfolio.

Our vision is in alignment with that of government in terms of Make in India brand. India is well positioned in commodity trade to provide global benchmark reference price in multiple commodities. In most of the globally traded commodities, India is among the top five either in production or consumption or import and export.

ICEX since its inception has put focus on launching commodity futures contract which are providing risk management solution to the Industry with an objective to become price setter for global benchmark reference. We started with Diamond followed by Steel, Rubber and now in Basmati Paddy futures contract.

We are committed to launch futures contract in all such commodities which are relevant for the economy and useful to the stakeholders. Under path breaking policy reform of the Government of India, economy is witnessing a rapid transformation in all sectors on the way of becoming global economic super power.

Recently, SEBI has taken various steps to boost commodity derivative market. In a major decision to strengthen commodity market, SEBI permitted mutual funds to participate in commodity futures along with PMS. It enabled mutual funds and portfolio managers to participate in the agri and non-agri commodity derivatives segments (CDS). Earlier, Alternative Investment Funds (AIFs) were allowed to trade in commodities futures. Notable policies initiatives have been allowing commodity options, allowing foreign entities to hedge their exposure on commodity in Indian commodity exchanges and allowing introduction of commodity indices trade.

In India, market regulator, SEBI (Securities and Exchange Board of India) has taken several developmental policy initiatives to give fillip to the commodity derivative market.

Notable policies initiatives have been allowing commodity options, permitting mutual funds to participate in the commodity derivative markets, allowing foreign entities to hedge their exposure on commodity in Indian commodity exchanges and allowing introduction of commodity indices trade.

SEBI has permitted ICEX to launch Mutual Fund distribution, using the Exchange infrastructure and the Exchange has commenced the Mutual Fund distribution service (MFDS) from December 27, 2019.

## **Outlook**

Despite the lockdown, a protracted return to normalcy was expected by August 2020. The unprecedented scale and scope of policy responses will undoubtedly help to limit the extent of the collapse and will help the post-crisis recovery.

Other than the response to the Covid-19 pandemic, major factors to impact Indian commodity markets in the coming year include resurrection in consumption demand, growth led by policy reforms, move towards digitization and monetary stance of central banks of major economies, and economic and trade policies. Coupled with strong demographic dividend and economic growth, consumer demand conditions in the country will remain strong for a long period. Additionally, stable fiscal situation, moderate inflation rate, exports growth, rising FDI inflows point towards fundamental stability in the economy, which augurs well for the markets

## **FINANCIAL PERFORMANCE:**

During the F.Y. 2019-20, the Exchange started levying transaction fees on Diamond Contract from June 24, 2019. To improve the liquidity in its contracts the Exchange introduced as per SEBI guidelines the Liquidity Enhancement Scheme (LES). It earned a total income of ₹ 8.07 crore and incurred net loss of ₹42.33 crore.

The net-worth of the Exchange as on March 31, 2020 was ₹ 129.37 crores.

## **IND AS implementation:**

The Exchange has followed Indian Accounting Standards (IND AS) issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in the preparation of Financial statements for the FY 2019-20. There is no deviation from Indian Accounting Standards.

## **Segment-wise performance:**

The Company operates in one reportable business segment namely "Commodity Exchange" and one reportable geographical segment, i.e., within India and accordingly "business of facilitating trading in commodities, mutual fund distribution services and incidental activities thereto" is considered as the only Primary Reportable business segment.

**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.

**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. These Controls have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

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 pandemics, 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**

**Mr. V K Sharma**  
**Chairman**  
**DIN: 02449088**

**Ms. Chitra Shringare**  
**Public Interest Director**  
**DIN: 08158196**

**Date: December 5, 2020**  
**Place: Navi- Mumbai**

**Mr. S K Agarwal**  
**Public Interest Director**  
**DIN: 01320750**

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

## CORPORATE GOVERNANCE REPORT

Indian Commodity Exchange Limited (“ICEX”) (“the Exchange”) is a Public Limited Company, securities of which are not listed on any stock exchange. However, pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations, 2018”), 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. Appointments of all the Directors are approved by SEBI.

The Board as on March 31, 2020 comprised of 5 (five) directors, of which 2(two) were Shareholder Directors including Managing Director & CEO and 3 (three) were Public Interest Directors. As per SECC Regulations, 2018 Managing Director and CEO shall be included in the category of Shareholder Director. The composition of the Board of Directors was as under:

Dr. H. K. Pradhan#	Chairman, Public Interest Director (PID)
Mr. Ajit Kumar Mittal^	Shareholder Director (SHD)
Mrs. D. Vijayalakshmi*	Public Interest Director (PID)
Mr. J. J. Bhatt*	Public Interest Director (PID)
Mr. Sanjit Prasad	Managing Director and Chief Executive Officer (MD & CEO)

# Dr. H K Pradhan, Chairman & public Interest Director has resigned from his position w.e.f April 17, 2020.

\* Mrs. D Vijayalakshmi & Mr. J. J. Bhatt, Public Interest Directors has resigned from the Board w.e.f. July 26, 2020.

^ Mr. Ajit Mittal, Shareholder Director has resigned from the their respective position of the Board w.e.f. November 6, 2020.

During the year under review Mr. Lav Chaturvedi, Shareholder Director had resigned from the Board w.e.f September 30, 2019.

Mr. Suresh Kumar Agarwal, Mr. Vijay Kumar Sharma and Mrs. Chitra Shringare were appointed as additional Directors to be public Interest Directors w.e.f. June 27, 2020 and July 25, 2020 respectively.

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

During the financial year ended March 31, 2020, 7 (seven) meetings of Board of Directors were held. The dates of the Board meetings were as under:

April 25, 2019, June 18, 2019, August 09, 2019, September 03, 2019, November 14, 2019, February 12, 2020 and March 20,2020.

The attendance details and number of Directorships and committee positions held by the Directors as on March 31, 2020 are given below:

Sr. No.	Name of the Directors	Category	Attendance at Board Meetings during FY 2019-20		Whether attended last AGM held on 28.09.2019	No. of other Director ship(s)	Number of Committee positions held in other public companies	
			##Held	Attended			Chairman	Member
1.	Dr. H. K. Pradhan* (DIN: 02607244)	Chairman PID	7	7	No	2	Nil	Nil
2.	Mr. Ajit Mittal# (DIN: 02698115)	Shareholder Director	7	1	No	7	2	2
3.	Mrs. D Vijayalakshmi ^ (DIN : 00467785)	Public Interest Director	7	7	No	Nil	Nil	Nil
4.	Mr. Lav Chaturvedi** (DIN: 02859336)	Shareholder Director	7	3	No	9	Nil	2
5.	Mr. J. J. Bhatt^^ (DIN: 08132347)	Public Interest Director	7	7	Yes	Nil	Nil	Nil
6.	Mr. Sanjit Prasad (DIN : 03304097)	Managing Director & Chief Executive Officer	7	7	No	Nil	Nil	Nil

\*Ceased to be the Public interest Director w.e.f April 17, 2020

# Ceased to Shareholder Director w.e.f. November 06, 2020

^^Ceased to be Public Interest Director w.e.f. July 26, 2020.

\*\*Ceased to be Shareholder Director w.e.f. September 30, 2019

^^ Ceased to be the Public Intrest Director w.e.f July 26, 2020.

# Number of meetings held during the tenure of the Director.

**Notes:**

- All Directors except Mr. Sanjit Prasad, Managing Director and Chief Executive officer are non-executive Directors;
- All Public Interest Directors are Independent Directors;
- Other Directorship excludes 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;

Sr. No.	Name of Director	Directorship in listed company other than this company	Category of Directorship held in listed entities other than this Company
1.	Dr. H. K. Pradhan	Nil	N.A
2.	Mr. Ajit Kumar Mittal	1. Indiabulls Housing Finance Limited	Executive Director
		2. Indiabulls Integrated Services Limited	Non-Executive Director
3.	Mrs. D. Vijayalakshmi	Nil	N.A
5.	Mr. J. J. Bhatt	Nil	N.A
6.	Mr. Sanjit Prasad	Nil	N.A

**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 in SECC Regulations, 2018.

**D. FAMILIARISATION 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 <https://www.icexindia.com/about-us/disclosures>.

The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <https://www.icexindia.com/about-us/disclosures>.

#### **E. SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS:**

The list of core skills/ expertise/ competencies/ identified by the Board of Directors of the Exchange essential for effective functioning of the Exchange, currently available with the Exchange, is as under:

Name of Director	Skills/ expertise/ competence
Dr. H K Pradhan*	Management & Administration, Cooperatives and Finance & Accounting
Mr. J. J. Bhatt*	Legal and Management & Administration
Mrs. D Vijayalakshmi*	Life insurance, risk Management, General Management & Behavioral Science,
Mr. Vijay Kumar Sharma	Economics, Finance & Accounting, Management & Administration
Mr. Suresh Agarwal	Finance & Accounting, Management & Administration, Financial Market and Economics, Capital Market studies
Mrs. Chitra Shringare	Management & Administration, Risk Management, Financial Market, Technology, Market Infrastructure, Operations and Process Management
Mr. Ajit Mittal*	Management & Administration, Risk Management, Financial Market, Technology, Market Infrastructure, Operations and Process Management
Mr. Sanjit Prasad	Economics, Finance and Accounting, Management & Administration, Risk Management, Financial Market and Market Infra

#### **F. CONFIRMATION OF INDEPENDENCE OF PUBLIC INTEREST DIRECTORS:**

The Board of the Company confirms that, the Public Interest Directors fulfil the conditions specified in the Listing Regulations and are independent of the Management.

### **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 33 of SECC Regulations, 2018 and Corporate Governance Norms (Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Committee met 4 (four) times during the year. The meetings were held on April 25, 2019, August 09, 2019, November 14, 2019, and February 12, 2020. The Chief Financial Officer and representatives of the Statutory Auditors are permanent invitees to the Audit

Committee meetings. The Internal Auditors are also invited on case to case basis. Company Secretary of the company acts as the secretary to the Committee.

The previous Annual General Meeting of the Company was held on September 28, 2019 and was attended by Mr. J. J. Bhatt, Member of the Audit committee who was duly authorized by the Chairman of the Audit Committee.

During the F.Y 2019-20, Mr. Lav Chaturvedi ceased to be the member of the committee w.e.f September 30, 2019.

The composition of the committee as on March 31, 2020 was as follows;

- Dr. H. K. Pradhan -Chairman, PID
- Mrs. D. Vijayalakshmi -PID
- Mr. J. J Bhatt -PID

The attendance details of the Audit committee meetings for F.Y 2019-20:

Members	Category	Number of Meetings during financial year 2018-19	
		Held*	Attended
Dr. H. K. Pradhan	Chairman, Public Interest Director	4	4
Mrs. D. Vijayalakshmi	Public Interest Director	4	4
Mr. J. J. Bhatt	Public Interest Director	4	4
Mr. Lav Chaturvedi**	Shareholder Director	4	2

\* Number of meetings held during the tenure.

\*\* Ceased to be Member of the committee w.e.f September 30,2019

#### **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 monitor 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 utilization 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 conditions 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 29 of SECC Regulations, 2018, and Corporate Governance Norms (Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015).

The composition of the committee as on March 31, 2020 was as follows;

- Mr. J. J Bhatt - Chairman, PID
- Mrs. D. Vijayalakshmi - PID
- Dr. H K Pradhan - PID

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, and determine overall compensation policies of the Company.

The Committee met four times during the year. The meetings were held on April 25, 2019, June 18, 2019, February 12, 2020 and March 20, 2020.

The attendance details of the Nomination and Remuneration committee meetings for F.Y 2019-20:

Members	Category	Number of Meetings during financial year 2018-19	
		Held*	Attended
Mr. J. J. Bhatt	Chairman, Public Interest Director	4	4
Mrs. D. Vijayalakshmi	Public Interest Director	4	4
Dr. H. K. Pradhan	Public Interest Director	4	4

\* Number of meetings held during the tenure.

#### B. Terms of Reference (TOR):

The terms of reference of the Nomination and Remuneration pursuant to Section 178 of the Companies Act, 2013 read with Regulation 29 of SECC Regulations, 2018 and Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and inter-alia includes:

- To identify persons who are qualified to be become Directors, Key Managerial Personnel and who may be appointed in senior management in accordance with criteria laid down recommend to the Board their appointment, removal;
- To determine the tenure of the KMP's to be posted to a regulatory department prescribed by SEBI;
- To lay down the policy for compensation of Key Management Personnel (KMP) and to determine the compensation of KMP's in terms of the compensation norms prescribed by SEBI;
- To recommend to the Board policy relating to remuneration for Directors, KMPs , senior management and other employees;
- To decide and recommend to the board 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 formulate criteria for determining qualifications, positive attributes and

- independence of Director;
- To formulate criteria for evaluation of performance of Independent Director and Board of Directors;
- To evaluate every Directors performance;
- To recommend to the board whether to extend the term of appointment of the PID on the basis of the report of performance evaluation of PID (Independent Director);
- To select the Managing Director;
- 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, 2018 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 for Independent Directors (PID's):

Pursuant to SECC Regulations, 2018 and SEBI circular dated February 5, 2019 the Public Interest Director's term can be extended by another term of three years, subject to performance review. Public Interest Director shall be subject to internal evaluation annually as well as external evaluation during their last year of the term. The criteria for performance evaluation of Public Interest Director is disclosed on the Company's website at the following web link <https://www.icexindia.com/about-us/disclosures>.

#### 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 2019-2020 is as follows:

Name of the Director	Sitting Fee (₹)
Mrs. D. Vijayalakshmi	2,80,000
Mr. J. J. Bhatt	2,80,000
Dr. H K Pradhan	3,50,000

##### Executive Directors:

The details of remuneration paid to Managing Director & Chief Executive Officer during the Financial Year 2019-20 is as follows:

Name	Salary and Allowances*	Bonus	Perquisites	Total
Mr. Sanjit Prasad	1,04,61,632	Nil	Nil	1,04,61,632

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

Appointment of MD & CEO is governed by a service contract and a notice period of 90 days. Pursuant to SECC Regulation, Managing Director & CEO being a Key Managerial Personnel is not entitled to any stock options.

## 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 the immediately preceding financial year, 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 as on March 31, 2020, viz.:**

1. Member and core settlement guarantee fund Committee;
2. Grievance Redressal Committee;
3. Standing Committee on Technology;
4. Advisory Committee;
5. Risk Management Committee;
6. Regulatory Oversight Committee;
7. Product (Diamond) Advisory Committee;
8. Product (Steellong) Advisor committee;
9. Product (Rubber) advisory Committee;
10. Product (Paddy Basmati) Advisory Committee.

## 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
28.09.2019 11:30 A.M For FY 2018-19	Indian Commodity Exchange Limited 1 <sup>st</sup> Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	1. Re-appointment of Mrs. D. Vijayalakshmi, as a Public Interest Director (Independent Director) of the Company for another term of three years
22.12.2018 11:30 A.M For FY 2017-18	Indian Commodity Exchange Limited 1 <sup>st</sup> Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	No Special Resolutions were passed.
28.09.2017 11.30 A.M For FY 2016-17	Indian Commodity Exchange Limited 1 <sup>st</sup> Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	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
10.08.2019 11:00 A.M for FY 2019-20	Indian Commodity Exchange Limited 1 <sup>st</sup> Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	Recommend names of suitable candidates for appointment of Managing Director & Chief Executive Officer ('MD & CEO') of the Company to SEBI for its prior approval
06.04.2018 11.30 A. M for FY 2018-19 (NCLT convened meeting of the Equity Shareholders)	Indian Commodity Exchange Limited 1 <sup>st</sup> Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	Approval of Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited ("the Amalgamating Company" or "the Transferor Company" or "NMCE") with Indian Commodity Exchange Limited
23.06.2017 11:00 A.M for FY 2017-18	Indian Commodity Exchange Limited, Reliable Tech Park, 403-A, B-Wing, 4 <sup>th</sup> 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.

### C. Postal Ballot:

During the year, no matters were transacted through postal ballot. No Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Exchange.

### 8. MEANS OF COMMUNICATION:

The Exchange disseminates all material information to its shareholders through its website [www.icexindia.com](http://www.icexindia.com) The Exchange's website: [www.icexindia.com](http://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:

<b>Day, Date, Time and Venue of Annual General Meeting (2019-2020)</b>	12 <sup>th</sup> Annual General Meeting. Tuesday, December 29, 2020 at 11:30 A.M. through Video conferencing/other Audio Visual Means organized by the Indian Commodity Exchange Limited
<b>Financial year</b>	April 1, 2019 to March 31, 2020.
<b>Dividend payment date</b>	Not Applicable
<b>Listing on Stock Exchanges</b>	The securities of the Company are not listed on any Stock Exchanges.
<b>Stock Market Code, Market Price Data and share price performance to broad based indices</b>	Not Applicable as the securities of the Company are not listed on any stock exchanges.
<b>Registrars &amp; Share Transfer Agents</b>	KFin Technologies Private Limited Selenium Tower B, Plot numbers 31 & 32 Nanakramguda, Financial District, Gachibowli Hyderabad - 500 032 Email: einward.ris@kfintech.com Tel.No.: +91-040-6716 2222
<b>Share transfer System</b>	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.
<b>Dematerialization of Shares and liquidity</b>	As per regulation 46 of the SECC Regulations, 2018, the securities of a recognised stock exchange shall be in dematerialised form only. All the equity shares of the Company as on March 31, 2019 are in dematerialized (electronic) form. ISIN of the equity shares of the Company is <b>INE678L01012</b> .
<b>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.</b>	Not applicable as the Exchange has not issued any GDRs/ADRs/Warrants or any Convertible instruments.
<b>Commodity price risk or foreign exchange risk and hedging activities.</b>	Not applicable.

<b>Exchange operations are located at</b>	Reliable Tech Park, 403-A, B-Wing, 4 <sup>th</sup> Floor, Thane - Belapur Road, Airoli, Navi Mumbai 400708.
<b>Address for Correspondence</b>	Reliable Tech Park, 403-A, B-Wing, 4 <sup>th</sup> Floor, Thane - Belapur Road, Airoli, Navi Mumbai 400708. Tel. No : +91-22-40381500 Fax No. : +91-22-40381511
<b>List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments or any fixed deposit programme or any scheme or proposal of the listing entity involving mobilization of funds, whether in India or abroad.</b>	Not applicable.

**9. Distribution of Shareholding as on March 31, 2020:**

Sr.no.	Category	Shareholders		Shares held	
		No. of	% of Total	No. of shares	% of Total
1	Up to 1 - 5000	168	44.21	291431	0.05
2	5001 - 10000	20	5.25	175000	0.03
3	10001 - 20000	11	2.88	166730	0.03
4	20001 - 30000	62	16.36	1562000	0.29
5	30001 - 40000	1	0.26	35000	0.01
6	40001 - 50000	33	8.68	1645000	0.31
7	50001 - 100000	36	9.47	3430500	0.64
8	100001 & Above	49	12.89	526201815	98.63
	<b>Total</b>	<b>380</b>	<b>100</b>	<b>53,35,07,476</b>	<b>100</b>

**Shareholding Pattern as on March 31, 2020:**

Sr. No	Category	No of Shareholders	No. of shares held	% of shareholding
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>	4	16,64,06,671	31.19
	<b>Total A</b>	<b>4</b>	<b>16,64,06,671</b>	<b>31.19</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>	-	-	-
(a)	Financial Institutions /Banks	3	3,61,18,720	6.77
(b)	Bodies Corporate	23	138716178	26.00
(c)	Individuals	329	6,38,39,713	11.97
(d)	HUF	12	4,81,000	0.09
(e)	Trusts	-	-	
(f)	Non-Resident Indian	3	1,35,000	0.02
(g)	Others	6	12,83,63,094	24.06
	<b>Total B</b>	<b>376</b>	<b>367100805</b>	<b>68.81</b>
	<b>Total (A+B)</b>	<b>380</b>	<b>53,35,07,476</b>	<b>100.00</b>

## 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 <https://www.icexindia.com/about-us/disclosures>. 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:

#### F.Y 2017-18

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

SEBI vide its letter dated December 26, 2017 had advised the Exchange that, if the aforesaid provision of SEBI circular was 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 was withdrawn by SEBI vide its letter dated July 3, 2018.

#### F.Y 2018-19

Nil

F. Y. 2019-20

Nil

### 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 <https://www.icexindia.com/about-us/disclosures> under the other disclosures tab. Further, the Company confirms that no personnel have been denied access to the Audit Committee.

**D. Recommendations of Committees of the Board:**

There were no instances during the financial year 2019-20 wherein the Board had not accepted recommendations made by any committee of the Board.

**E. Details of total fees paid to statutory auditors:**

The details of total fees for all the services paid by the company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is part, are as follows:

Type of services	F.Y 2019-20
Statutory Audit	4,00,000
Tax Audit	75,000
Out of Pocket Expenses	2,578
<b>Total</b>	<b>4,77,578</b>

**F. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Particulars	Numbers
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on the end of the financial year	Nil

**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, 2018 for the financial year 2019-20 is attached at the end of this report.

**13. Practicing Company Secretary's certificate:**

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

A certificate from the Practicing Company Secretaries as required under Part C of Schedule V of Listing Regulations, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority is attached at the end of this report.

**14. Compliance with conditions of corporate governance:**

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent as applicable.

**15. Disclosure with respect to demat suspense account/unclaimed suspense account:** Not Applicable.

**16. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):** – Not Applicable

**17. Disclosure of commodity price risks and commodity hedging activities:** Nil

**18. Details of Compliance with mandatory and discretionary requirement:**

As per regulation 33 of SECC Regulations, 2018, 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 Regulations to the extent applicable.

The Company has complied with the following discretionary requirements:

- a) The Internal Auditor of the Company reports directly to the Audit Committee. Internal Auditor participates in the meetings of the Audit Committee and makes presentation on their quarterly report to the committee.
- b) Separate posts of Chairman and CEO: The Company has separate posts of the Chairman and MD & CEO.
- c) During the year under review, there is no audit qualification on the Company's financial statements.
- d) The Non-Executive Chairman of the Company has been provided a Chairman's Office at the Corporate Office of the Company.

**For and on behalf of the Board of Directors**

**Mr. V K Sharma**  
Chairman  
DIN: 02449088

**Ms. Chitra Shringare**  
Public Interest Director  
DIN: 08158196

**Date: December 5, 2020**  
**Place: Navi- Mumbai**

**Mr. S K Agarwal**  
Public Interest Director  
DIN: 01320750

**Mr. 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 the financial year 2019-20.

**Sanjit Prasad  
Managing Director & CEO  
DIN : 03304097**

**Place: Navi Mumbai  
Date : December 5, 2020**

**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 31<sup>st</sup> March, 2020 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.

**Place: June 30, 2020**

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

We have examined all relevant records of **Indian Commodity Exchange Limited** ('the **Company**') for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended 31<sup>st</sup> March 2020. In terms of regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become *mutatis mutandis* applicable to a recognized stock exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with 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 and the representations made by the management, we certify that the Company has complied with the applicable disclosure requirements and corporate governance norms as specified for Listed Companies.

We further 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 AVS & Associates  
Company Secretaries

**Anand Mukherjee**  
Partner  
Mem. No: A40485  
C.P. No: 16883  
UDIN: A040485B001416068

Place: Kalyan, Thane  
Date: December 5, 2020

**DRAFT CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members,  
**INDIAN COMMODITY EXCHANGE LIMITED**  
Add:1<sup>st</sup> Floor, Office - 109, Nodh No.-1158 to 63/65/9,  
HatFaliyu, Mahidharpura, Surat -395003, Gujarat, India

We have examined the relevant records, information, forms, returns and disclosures received from the Directors of **M/s. Indian Commodity Exchange Limited** having **CIN:U67120GJ2008PLC099142** and having registered office at 1<sup>st</sup> Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat -395003, Gujarat, India. (hereinafter referred to as '**the Company**') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('DIN') status at the portal **www.mca.gov.in**) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority for the financial year ending on March 31, 2020.

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>DIN</b>	<b>Date of appointment in the Company</b>
1.	Hemanta Kumar Pradhan	02607244	26/05/2018
2.	Ajit Kumar Mittal	02698115	01/01/2010
3.	Damodaran Vijayalakshmi	00467785	13/06/2016
4.	Jagdish Jayshankar Bhatt	08132347	26/05/2018
5.	Lav Chaturvedi Ramji*	02859336	25/03/2013
6.	Sanjit Prasad	03304097	01/09/2016

(\*Lav Chaturvedi Ramji has resigned from Directorship of the company w.e.f. September 30, 2019)

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For AVS & Associates  
Company Secretaries**

**Anand Mukherjee  
Partner  
Mem. No: A40485  
C.P. No: 16883  
UDIN:A040485B001416035**

**Place: Kalyan, Thane**

**Date: December 5, 2020**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF INDIAN COMMODITY EXCHANGE LIMITED**

**Report on the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Indian Commodity Exchange Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013("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 (financial position) of the Company as at 31<sup>st</sup> March, 2020, its loss (financial performance), total comprehensive loss and, its cash flows and the changes in equity for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report.

We are independent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Ind AS financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit on the Ind AS financial statements, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015 as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2020, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act.
- h) 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 30 & 31 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Registration No.: 101720W / W100355

Sandesh Ladha  
Partner  
Membership No.: 047841  
UDIN: 20047841AAAOLR5565

Date: 26<sup>th</sup> August, 2020  
Place: Mumbai

## **ANNEXURE A**

### **TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIAN COMMODITY EXCHANGE LIMITED**

#### **Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Indian Commodity Exchange Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **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. 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 Act.

#### **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 ("The Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act, 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 Institute of Chartered Accountant of India. Those Standards and the Guidance Note require 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 judgement, 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 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 authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2020, 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 **Chaturvedi & Shah LLP**  
Chartered Accountants  
Registration No. 101720W / W100355

Sandesh Ladha  
Partner  
Membership No.: 047841

Date: 26<sup>th</sup> August, 2020  
Place: Mumbai

## ANNEXURE B

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIAN COMMODITY EXCHANGE LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the relevant documents produced before us, we report that, the Company is in the process of recovering title deeds of immovable properties acquired on amalgamation.
- ii. The Company does not own any inventory. Accordingly, the provisions of clause ii (a) of the Order are not applicable to the Company. However, we received Physical Verification Reports and Physical Verification Certificates from Metropolitan Clearing Corporation of India Limited for the inventories held in trust.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013(the Act). Therefore, the provisions of Clause (iii) of paragraph 3 of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees or securities and hence provisions of Section 185 and 186 of the Act are not applicable.
- v. The Company has not accepted any deposit from public and accordingly, the provisions of clause v of the Order are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act in respect of the Business Activities carried out by the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it. No undisputed amounts payable in respect of aforesaid statutory dues were

outstanding at year end for a period of more than six months from the date they became payable.

- (b) There are no dues of Income Tax, Goods and Service Tax, Customs Duty, and cess as on 31<sup>st</sup> March, 2020 which have not been deposited on account of disputes except as disclosed below:

Amount in Rs. Thousands

Name of the statute	Nature of dues	Amount as per the order	Amount paid	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	2,77,299.18	Nil	Commissioner of Income Tax (Appeals) (CIT)
	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2012-13	34,877.11	Nil	Income Tax Appellate Tribunal (ITAT)
	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2013-14	37,404.74	Nil	Commissioner of Income Tax (Appeals) (CIT)
	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2017-18	6,165.55	Nil	Commissioner of Income Tax (Appeals) (CIT)

- viii. In our opinion and according to the information and explanations given to us, the Company has no dues payable to financial institutions, banks and Government and debenture holders, therefore the question of default does not arise.
- ix. In our opinion and according to the information and explanations given to us, no monies raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year by the Company.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provision of clause 3(xii) of the Order not applicable to the Company and hence not commented upon.
- xiii. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Registration No. 101720W / W100355

Sandesh Ladha  
Partner

Date: 26<sup>th</sup> August, 2020  
Place: Mumbai

Indian Commodity Exchange Limited

Balance Sheet as at March 31, 2020

(Amount in ₹ thousand)

	Note	As at March 31, 2020 Amount	As at March 31, 2019 Amount
<b>Assets</b>			
<b>(1) Non- current assets</b>			
(a) Property, plant and equipment	4	79,320.34	98,377.73
(b) Intangible assets	4	5,21,697.86	5,30,902.77
(c) Other non-current assets	5	4,57,711.48	4,21,463.42
<b>Total Non- current assets</b>		<b>10,58,729.68</b>	<b>10,50,743.92</b>
<b>(2) Current assets</b>			
<b>(a) Financial assets</b>			
(i) Investments	6	1,51,697.94	6,44,058.10
(ii) Trade receivables	7	17,808.89	15,885.88
(iii) Cash and cash equivalents	8	10,831.90	3,730.29
(iv) Bank balance other than (iii) above	9	3,31,346.50	2,61,029.50
(v) Other financial assets	10	27,886.72	12,545.56
(b) Other current assets	11	2,03,606.55	1,65,692.60
<b>Total Current assets</b>		<b>7,43,178.50</b>	<b>11,02,941.93</b>
<b>Total Assets</b>		<b>18,01,908.18</b>	<b>21,53,685.85</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	12	26,67,537.38	26,67,537.38
(b) Other Equity	13	(13,72,259.96)	(9,49,298.11)
<b>Total Equity</b>		<b>12,95,277.42</b>	<b>17,18,239.27</b>
Settlement guarantee fund	14	3,26,759.90	2,91,044.77
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Other financial liabilities	15	52,650.00	39,775.00
(b) Provisions	16	10,393.92	5,625.18
<b>Total Non current liabilities</b>		<b>63,043.92</b>	<b>45,400.18</b>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
<b>(i) Trade payables</b>			
a) Micro, small and medium enterprises	17	-	-
b) Other than (a) above	17	2,653.65	2,049.02
(ii) Other financial liabilities	18	25,182.62	30,074.54
(b) Other current liabilities	19	32,317.32	34,387.90
(c) Provisions	20	56,673.35	32,490.17
<b>Total current liabilities</b>		<b>1,16,826.94</b>	<b>99,001.63</b>
<b>Total liabilities</b>		<b>1,79,870.86</b>	<b>1,44,401.81</b>
<b>Total Equity and Liabilities</b>		<b>18,01,908.18</b>	<b>21,53,685.85</b>

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

1 to 47

As per our attached report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W / W100355

**Sandesh Ladha**

Partner

Membership No. 047841

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

**V. K. Sharma**

Director

DIN: 02449088

**S. K. Agarwal**

Director

DIN: 01320750

**Chitra Shringare**

Director

DIN: 08158196

**Ajit Kumar Mittal**

Director

DIN: 02698115

**Sanjit Prasad**

MD & CEO

DIN: 03304097

**Ghanashyam V. Rao**

CFO

**Ishan Kukreja**

Company Secretary

## Indian Commodity Exchange Limited

### Statement of profit and loss for the year ended March 31, 2020

Particulars	Note	(Amount in ₹ thousand)	
		For the Year ended March 31, 2020 Amount	For the Year ended March 31, 2019 Amount
<b>Revenue</b>			
Revenue from operations	21 & 32	32,278.59	18,987.13
Other income	22	48,433.15	1,04,668.06
<b>Total income</b>		<b>80,711.74</b>	<b>1,23,655.19</b>
<b>Expenses</b>			
Employee benefits expense	23	1,42,126.36	1,52,537.26
Operating cost	24	98,191.03	83,054.09
Financial Cost	25	592.74	-
Depreciation and amortisation expense	4	44,410.41	39,536.67
Other expenses	26	2,18,617.72	1,34,194.26
<b>Total expenses</b>		<b>5,03,938.26</b>	<b>4,09,322.28</b>
<b>Profit/(loss) before tax</b>		<b>(4,23,226.52)</b>	<b>(2,85,667.09)</b>
Income tax expense			
- Deferred tax		-	-
<b>Profit/(loss) for the year</b>		<b>(4,23,226.52)</b>	<b>(2,85,667.09)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)			-
Remeasurement of Employee benefits obligations		264.67	470.38
<b>Total comprehensive income for the year</b>		<b>(4,22,961.85)</b>	<b>(2,85,196.71)</b>
<b>Earnings per equity share</b>	35		
(Face Value of ₹ 5 each fully paid up)			
Basic		(0.79)	(0.54)
Diluted		(0.79)	(0.54)

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

1 to 47

As per our attached report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W / W100355

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

**Sandesh Ladha**

Partner

Membership No. 047841

**V. K. Sharma**

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DIN: 02449088

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Director

DIN: 02698115

**Sanjit Prasad**

MD & CEO

DIN: 03304097

**Ghanashyam V. Rao**

CFO

Navi Mumbai, August 26, 2020

**Ishan Kukreja**

Company Secretary

Indian Commodity Exchange Limited

Cash Flow Statement for the year ended March 31, 2020

Particulars	(Amount in ₹ thousand)	
	For the year ended March 31, 2020 Amount	For the year ended March 31, 2019 Amount
<b>A Cash flows from operating activities :</b>		
Profit/(loss) before tax	(4,23,226.52)	(2,85,667.09)
Adjustments for:		
Depreciation and amortisation expense	44,410.41	39,536.67
Provision for employee retirement benefits	6,772.06	3,108.49
Interest income	(29,026.99)	(16,688.56)
(Profit) on sale/ discard of property, plant & equipment	(239.84)	(25.82)
Excess provisions written back	-	14,462.70
(Gain)/ Loss on redemption/ fair valuation of units of mutual funds	(18,889.86)	(72,939.62)
<b>Operating Profit / (loss) before working capital changes</b>	<b>(4,20,200.74)</b>	<b>(3,18,213.23)</b>
Adjustments for :		
Trade receivables and other current assets	(32,454.70)	(34,275.12)
Other non-current liabilities	17,908.41	(10,073.34)
Trade payable and other current liabilities	11,053.24	(2,27,259.48)
Adjustment for increase in Settlement Guarantee Fund	35,715.13	22,229.44
<b>Cash generated from / (used in) operations</b>	<b>(3,87,978.66)</b>	<b>(5,67,591.73)</b>
Net income tax paid (net of refunds)	(7,382.26)	6,835.18
<b>Net cash generated from / (used in) operating activities</b>	<b>(3,95,360.92)</b>	<b>(5,60,756.55)</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant, equipment and intangible assets	(16,400.77)	(15,241.48)
Other non-current assets	(36,248.06)	(3,00,867.41)
Proceeds from Sale of property, plant and equipment	492.51	27.29
Interest received	13,685.83	23,236.83
Proceeds of Current investments (Net)	5,11,250.02	6,39,904.93
<b>Net cash generated from / (used in) investing activities</b>	<b>4,72,779.53</b>	<b>3,47,060.16</b>
<b>C Cash flows from financing activities</b>	-	-
<b>Net cash generated from / (used in) financing activities</b>	-	-
<b>D Net increase/(decrease) in cash and cash equivalents ( A+B+C )</b>	<b>77,418.61</b>	<b>(2,13,696.39)</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>2,64,759.79</b>	<b>4,78,456.18</b>
<b>F Cash and cash equivalents at the close of the year ( D + E )</b>	<b>3,42,178.40</b>	<b>2,64,759.79</b>

**Indian Commodity Exchange Limited****Cash Flow Statement for the year ended March 31, 2020**

Particulars	(Amount in ₹ thousand)	
	For the year ended March 31, 2020 Amount	For the year ended March 31, 2019 Amount
<u>Note :</u>		
1 Cash and cash equivalents as at the close of the year comprise:		
Cash and Bank Balances (Refer note 8)		
Cash on Hand	32.06	19.00
Balances with scheduled banks		
In Current Accounts	10,799.84	3,711.29
In Fixed Deposit Accounts		-
with original maturity of more than three months (Refer note 9)	3,31,346.50	2,61,029.50
<b>Cash and cash equivalents</b>	<b>3,42,178.40</b>	<b>2,64,759.79</b>

Note :

- 2 The cash flow statement has been prepared under the “Indirect Method” as set out in Ind AS 7 “Statement of Cash Flows”

As per our attached report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W / W100355

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

Partner

Membership No. 047841

**V. K. Sharma**

Director

DIN: 02449088

**S. K. Agarwal**

Director

DIN: 01320750

**Chitra Shringare**

Director

DIN: 08158196

**Ajit Kumar Mittal**

Director

DIN: 02698115

**Sanjit Prasad**

MD & CEO

DIN: 03304097

**Ghanashyam V. Rao**

CFO

Navi Mumbai, August 26, 2020

**Ishan Kukreja**

Company Secretary

**Indian Commodity Exchange Limited**

**Statement of Changes in Equity for the year ended March 31, 2020**

(Amount in ₹ thousand)

**A. Equity Share Capital**

Balance as at April 01, 2018	Changes in the equity share capital during the year 2018-19	Balance as at March 31, 2019	Changes in the equity share capital during the year 2019-20	Balance as at March 31, 2020
16,75,000.00	9,92,537.38	26,67,537.38	-	26,67,537.38

**B. Other Equity**

	Reserver and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
<b>Balance as at April 01, 2018</b>	<b>6,75,000.00</b>	<b>(13,39,984.99)</b>	<b>883.59</b>	<b>(6,64,101.40)</b>
Total comprehensive income for the year	-	(2,85,667.09)	470.38	(2,85,196.71)
<b>Balance as at March 31, 2019</b>	<b>6,75,000.00</b>	<b>(16,25,652.08)</b>	<b>1,353.97</b>	<b>(9,49,298.11)</b>
Total comprehensive income for the year	-	(4,23,226.52)	264.67	(4,22,961.85)
<b>Balance as at March 31, 2020</b>	<b>6,75,000.00</b>	<b>(20,48,878.60)</b>	<b>1,618.64</b>	<b>(13,72,259.96)</b>

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

As per our attached report of even date

**For Chaturvedi & Shah LLP**  
**Chartered Accountants**

Firm Registration No. 101720W / W100355

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

**Sandesh Ladha**  
Partner  
Membership No. 047841

**V. K. Sharma**  
Director  
DIN: 02449088

**S. K. Agarwal**  
Director  
DIN: 01320750

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DIN: 02698115

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

**Ghanashyam V. Rao**  
CFO

Navi Mumbai, August 26, 2020

**Ishan Kukreja**  
Company Secretary

## **Indian Commodity Exchange Limited**

### **Notes forming part of financial statements as at March 31, 2020**

#### **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. The Exchange re-commenced its trading operation on August 28, 2017. ICEX currently offers trading in commodity and mutual fund.

#### **2. Summary of Significant Accounting Policies:**

##### **a) Statement of compliance**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2014. The date of transition to Ind AS is April 1, 2017.

##### **b) Basis of accounting and preparation of financial statements:**

These financial statements have been prepared to comply with the Indian Accounting Standards ('Ind AS') including the rules notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention except certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

##### **c) Use of Estimates:**

The preparation of financial statements in conformity with Ind AS requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

## Indian Commodity Exchange Limited

### Notes forming part of financial statements as at March 31, 2020

#### d) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

The estimated useful lives of property, plant and equipment are as follows:

Asset Class	Useful Life
Furniture and fixtures	10 years
Leasehold improvements	3-5 years
Computers	3-6 years
Equipments	2-10 years
Office buildings	60 years
Vehicles	8-10 years

#### e) Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition 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.

Goodwill on amalgamation is subject to impairment testing in accordance with Ind AS 103, read with Ind AS 36.

A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Asset Class	Useful Life
Trading Software	10 years
Other Softwares	4 years

## Indian Commodity Exchange Limited

### Notes forming part of financial statements as at March 31, 2020

#### **f) Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a favourable change in the estimate of recoverable amount.

#### **g) Financial instruments:**

##### **i) Financial Assets**

###### **A. Initial recognition and measurement**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

###### **B. Subsequent measurement**

###### **a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### **c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

###### **C. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

## **Indian Commodity Exchange Limited**

### **Notes forming part of financial statements as at March 31, 2020**

#### **D. Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed. For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### **ii) Financial liabilities**

##### **A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

##### **B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **iii) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## **Indian Commodity Exchange Limited**

### **Notes forming part of financial statements as at March 31, 2020**

#### **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 recognised once the membership is approved by membership committee. Processing and other fees collected from members are recognised 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) Operating income from Annual Subscription Fee, other membership charges, connectivity charges, VSAT charges etc are recognised on accrual basis.

(iv) Transaction fees from Mutual fund segment is recognised on accrual basis

(v) Interest income is recognised on accrual basis.

(vi) Dividend income on investment in 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) Others - all other revenue is recognised in the period in which the service is provided.

#### **i) Foreign currency transactions and translation:**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

#### **j) Taxation :**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax. is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

## **Indian Commodity Exchange Limited**

### **Notes forming part of financial statements as at March 31, 2020**

#### **Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

#### **k) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as part of the cost of such assets (net of income on temporary investment out of such borrowings). A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **l) Provisions, contingent liabilities and contingent assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### **m) Earnings per share**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

## **Indian Commodity Exchange Limited**

### **Notes forming part of financial statements as at March 31, 2020**

#### **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 has defined benefit plans namely, Unfunded Compensated Absences and Funded 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:**

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

#### **3. Critical accounting, judgments and key sources of estimation certainty:**

The preparation of the Company's financial statements requires management to make judgment, estimates and assumption that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

#### **a) Depreciation/amortisation and useful lives of property plant and equipment and intangible assets:**

Property, plant and equipment/intangible assets are depreciated/amortised over their estimated useful lives, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortization for future periods is adjusted if there are significant changes from previous estimates.

## **Indian Commodity Exchange Limited**

### **Notes forming part of financial statements as at March 31, 2020**

#### **b) Provisions :**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### **c) Impairment of non-financial assets :**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an assets or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

#### **d) Impairment of financial assets :**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Indian Commodity Exchange Limited

Notes forming part of financial statement as at March 31, 2020

(Amount in ₹ thousand)

4. Property, Plant & Equipment and Intangible Assets

Description	Gross Block			Depreciation			Net Block		
	As at April 01, 2019	2019-20		As at April 01, 2019	For the year 2019-20	Deductions /Adjustments	Upto 31-Mar-20	As at 31-Mar-20	As at April 01, 2019
		Additions	Deductions /Adjustments						
<b>Property, Tangible Assets (Owned)</b>									
Office Building	14,919.77	-	-	542.40	271.20	-	813.60	14,106.17	14,377.37
Leasehold Improvements	11,024.57	-	551.10	6,607.91	2,212.86	327.80	8,492.96	1,980.51	4,416.66
Computers	1,21,504.37	4,202.00	29.25	48,475.94	18,527.78	-	67,003.72	58,673.40	73,028.43
Equipments	8,488.94	365.06	-	4,452.94	1,873.88	-	6,326.82	2,527.19	4,036.01
Furniture & Fixture	4,483.18	-	-	1,963.92	486.19	-	2,450.11	2,033.07	2,519.26
Vehicles	209.90	-	-	209.89	-	-	209.89	-	-
<b>Total (A)</b>	<b>1,60,630.73</b>	<b>4,567.06</b>	<b>580.35</b>	<b>62,253.00</b>	<b>23,371.91</b>	<b>327.80</b>	<b>85,297.10</b>	<b>79,320.34</b>	<b>98,377.73</b>
<b>Intangible Assets</b>									
Computer Software	1,83,197.13	4,424.42	-	82,693.44	16,399.86	-	99,093.31	88,528.24	1,00,503.68
Right of use leased office	-	7,409.28	-	-	4,638.74	-	4,638.74	2,770.54	-
Goodwill	4,30,399.08	-	-	-	-	-	-	4,30,399.08	-
<b>Total (B)</b>	<b>6,13,596.21</b>	<b>11,833.71</b>	<b>-</b>	<b>82,693.44</b>	<b>21,038.61</b>	<b>-</b>	<b>1,03,732.05</b>	<b>5,21,697.86</b>	<b>4,30,902.76</b>
<b>Total (A+B)</b>	<b>7,74,226.94</b>	<b>16,400.77</b>	<b>580.35</b>	<b>1,44,946.44</b>	<b>44,410.51</b>	<b>327.80</b>	<b>1,89,029.15</b>	<b>6,01,018.20</b>	<b>6,29,280.49</b>

The Amalgamation has been accounted as prescribed by the Ind AS 103. 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 clause no. 2.3 of the Scheme of Amalgamation. Accordingly, ₹ 4,30,399.08 thousand has been debited to Goodwill during the previous year 2017-18 being the difference between the net assets received less consideration paid.

**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at March 31, 2020**

(Amount in ₹ thousand)

	As At March 31, 2020 Amount	As At March 31, 2019 Amount
<b>5 Other non-current assets</b>		
Deposit with Metropolitan Clearing Corporation of India Limited	50,000.00	50,000.00
Amount Receivable from Metropolitan Clearing Corporation of India Limited towards Settlement Guarantee Fund (SGF)		
- Exchange contribution	3,68,219.77	3,53,376.67
- Income on SGF	35,715.13	14,843.10
Security Deposit	3,776.58	3,243.65
<b>Total</b>	<b>4,57,711.48</b>	<b>4,21,463.42</b>
<b>6 Investments</b>		
(Measured at fair value through Profit and Loss)		
Mutual fund - Quoted *	1,51,697.94	6,44,058.10
<b>Total</b>	<b>1,51,697.94</b>	<b>6,44,058.10</b>
* Of the above investments in Mutual Funds, sum of ₹ 135,109.43 thousand (previous year: ₹ 100,018.79 thousand) is earmarked for Settlement Guarantee Fund as required by SEBI in their letter dated September 27, 2018		
<b>7 Trade Receivables</b>		
Considered good - Secured	-	-
Considered good - Unsecured	17,808.89	15,885.88
Considered doubtful - Unsecured	21,470.56	21,470.56
Less : Provision for for Doubtful Debts	(21,470.56)	(21,470.56)
<b>Total</b>	<b>17,808.89</b>	<b>15,885.88</b>
<b>8 Cash and cash equivalents</b>		
Cash on hand	32.06	19.00
Balance with bank		
- In current account *	10,799.84	3,711.29
<b>Total</b>	<b>10,831.90</b>	<b>3,730.29</b>

\* Includes ₹ 124.79 thousand (Previous year: ₹ 859.31 thousand ) in current Account created and earmarked for Investor Service Fund (ISF).

**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at March 31, 2020**

(Amount in ₹ thousand)

	As At March 31, 2020 Amount	As At March 31, 2019 Amount
<b>9 Bank balance other than cash and cash equivalents</b>		
Deposits with maturity more than three months *	3,31,346.50	2,61,029.50
<b>Total</b>	<b>3,31,346.50</b>	<b>2,61,029.50</b>
<p>* Of the above sum of ₹ 122,400 thousand (previous year: Nil) is earmarked for Settlement Guarantee Fund as required by SEBI vide their letter dated September 27, 2018 and ₹ 1,900 thousand (previous year: Nil) is earmarked for Investor Service Fund (ISF)</p>		
<b>10 Other financial assets</b>		
Interest accrued on deposits	27,886.72	12,545.56
<b>Total</b>	<b>27,886.72</b>	<b>12,545.56</b>
<b>11 Other current assets</b>		
Prepaid expenses	10,888.81	10,521.20
Balance with government authorities	1,65,357.46	1,24,182.16
Income tax recoverable	16,285.58	23,667.84
Diamond on E Unit conversion (Refer note no. 41)	21,001.97	24,080.67
Less: E-units on diamond conversion	(21,001.97)	(24,080.67)
Other receivables from members on account of penalty charges levied	1,863.52	1,894.97
Other advances	8,572.68	4,761.43
Advances (unsecured considered doubtful)	33,405.71	33,405.71
Less : Allowance for doubtful debts	(33,405.71)	(33,405.71)
Capital advances	638.50	665.00
<b>Total</b>	<b>2,03,606.55</b>	<b>1,65,692.60</b>

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**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at March 31, 2020**

**12 Equity share capital**

	(Amount in ₹ thousand)	
	As at March 31, 2020	As at March 31, 2019
<b>Authorised share capital</b>		
73,60,00,000 Equity Shares of ₹ 5/- each *	36,80,000.00	26,80,000.00
(As on 31st March, 2019: 53,60,00,000 equity shares of ₹ 5/- each)		

\* Authorised share capital has been increased to 73,60,00,000 equity shares on September 28, 2019.

**Issued, subscribed and paid up**

53,35,07,476 Equity Shares of ₹ 5/- each	26,67,537.38	26,67,537.38
(As on 31st March, 2019: 53,35,07,476 equity shares of ₹ 5/- each fully paid up)		

i) 198,507.48 thousand Equity shares of ₹ 5 each was allotted during the previous year 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.

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 retrospectively from April 1, 2017. As specified in the Scheme of amalgamation clause 2.3 and residual amount transferred to goodwill as per Ind-As 103. The scheme has accordingly been given effect to in these accounts.

**a. Reconciliation of numbers of Equity shares and amount outstanding**

	As at March 31, 2020		(Amount in ₹ thousand) As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
	Equity Shares of ₹ 5 each			
<b>Opening Balance</b>	53,35,07,476	26,67,537.38	33,50,00,000	16,75,000.00
Add: Shares issued on amalgamation	-	-	19,85,07,476	-
<b>Closing Balance</b>	<b>53,35,07,476</b>	<b>26,67,537</b>	<b>53,35,07,476</b>	<b>16,75,000.00</b>

**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% Equity shares:**

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Reliance Exchangenext Limited	8,71,00,000	16.33%	8,71,00,000	16.33%
Central Warehousing Corporation	5,89,63,956	11.05%	5,89,63,956	11.05%
Deputy Director (PMLA), Directorate of Enforcement, Ahmedabad	4,82,09,060	9.04%	4,82,09,060	9.04%
MMTC Limited	3,20,00,000	6.00%	3,20,00,000	6.00%
Indiabulls Housing Finance Limited	3,00,00,000	5.62%	3,00,00,000	5.62%
Indian Potash Limited	2,66,75,000	5.00%	2,68,00,000	5.02%

d. 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 new investors at ₹10 per shares (Including premium of ₹ 5 per share). The matter is listed for hearing before NCLT.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2020

13 Other Equity

(Amount in ₹ thousand)

	As at March 31, 2020 Amount	As at March 31, 2019 Amount
<b>Retained Earnings</b>		
As per last Balance Sheet	(16,25,652.08)	(13,39,984.99)
Less: Loss for the year	(4,23,226.52)	(2,85,667.09)
	<u>(20,48,878.60)</u>	<u>(16,25,652.08)</u>
<b>Other Comprehensive Income (OCI)</b>		
As per last Balance Sheet	1,353.97	883.59
Less : Movement in OCI (Net) during the year	264.67	470.38
	<u>1,618.64</u>	<u>1,353.97</u>
<b>Total (A)</b>	<u>(20,47,259.96)</u>	<u>(16,24,298.11)</u>
<b>Security Premium</b>		
As per last Balance Sheet	6,75,000.00	6,75,000.00
Add / Less: During the year	-	-
<b>Total (B)</b>	<u>6,75,000.00</u>	<u>6,75,000.00</u>
<b>Total Other Equity (A) + (B)</b>	<u>(13,72,259.96)</u>	<u>(9,49,298.11)</u>
<b>13.1 Share capital suspense</b>		
As per last Balance Sheet	-	9,92,537.38
Increase/(decrease) during the year	-	(9,92,537.38)
<b>Total</b>	<u>-</u>	<u>-</u>

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at March 31, 2020

(Amount in ₹ thousand)

	As At March 31, 2020 Amount	As At March 31, 2019 Amount
<b>14 Settlement Guarantee Fund</b>		
Opening balance	2,91,044.77	2,68,815.32
- Income during the year	35,715.13	22,229.45
<b>Total</b>	<b>3,26,759.90</b>	<b>2,91,044.77</b>
<p>In terms of clause 3.2 of the Clearing and Settlement Agreement dated July 11, 2018 entered between ICEX &amp; Metropolitan Clearing Corporation of India Limited (MCCIL), ICEX was required to transfer various deposits / funds, including Settlement Guarantee Fund (SGF) to MCCIL. The SGF corpus maintained by MCCIL as on March 31, 2020 is ₹ 4,53,934.90 thousand (Previous year : ₹ 4,18,219.77 thousand)</p>		
<b>15 Other non-current financial liabilities</b>		
Trade/Security deposits		
- Base minimum capital from members	52,650.00	39,775.00
<b>Total</b>	<b>52,650.00</b>	<b>39,775.00</b>
<b>16 Non- current provisions</b>		
Provision for gratuity	745.45	1,533.85
Provision for compensated absences	9,648.47	4,091.33
<b>Total</b>	<b>10,393.92</b>	<b>5,625.18</b>
<b>17 Trade Payables</b>		
Micro, small and medium enterprises	-	-
Other than Micro, small and medium enterprises	2,653.65	2,049.02
<b>Total</b>	<b>2,653.65</b>	<b>2,049.02</b>
<b>18 Other current financial liabilities</b>		
Received from members and applicants towards		
- Trading margins	2,017.15	3,167.15
- Application money - pending admission	2,695.34	4,293.29
- Other members liabilities	20,470.13	22,614.10
<b>Total</b>	<b>25,182.62</b>	<b>30,074.54</b>

**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at March 31, 2020**

	(Amount in ₹ thousand)	
	As At March 31, 2020 Amount	As At March 31, 2019 Amount
<b>19 Other current liabilities</b>		
Amount transferable to Investor Protection Fund Trust	-	1,208.40
Service tax payable	1,211.80	1,211.80
Tax deducted at source	3,337.18	3,990.76
Commodity transaction tax	2,992.15	4,877.37
Professional tax	17.52	23.16
Goods and service tax	118.80	1,586.81
Other liabilities	22,791.83	19,594.63
Uncollected penalty from members to be transferred to IPF	1,848.04	1,894.97
<b>Total</b>	<b>32,317.32</b>	<b>34,387.90</b>
<b>20 Current provisions</b>		
Provision towards expenses	56,468.55	32,463.40
Provision for gratuity	54.64	26.77
Provision for compensated absences	150.16	-
<b>Total</b>	<b>56,673.35</b>	<b>32,490.17</b>

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Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2020

(Amount in ₹ thousand)

	For the year ended March 31, 2020 Amount	For the year ended March 31, 2019 Amount
<b>21 Revenue From Operations</b>		
<b>Operating revenues</b>		
Membership admission fee	2,100.00	-
Transaction fee	19,130.24	9,077.58
Other membership fee	6,327.66	5,419.58
<b>Total (A)</b>	<b>27,557.90</b>	<b>14,497.16</b>
<b>Other operating revenues</b>		
Connectivity charges	4,720.69	4,299.80
Warehouse income	-	190.17
<b>Total (B)</b>	<b>4,720.69</b>	<b>4,489.97</b>
<b>Total (A)+(B)</b>	<b>32,278.59</b>	<b>18,987.13</b>
<b>22 Other Income</b>		
Interest income on bank deposits	27,124.92	16,688.56
Interest income on Tax Refund	1,902.07	-
Profit on redemption of units of mutual fund	14,619.96	92,329.36
Gain/(loss) on fair valuation of mutual funds	4,269.90	(19,389.73)
Provisions no longer required written back	-	14,462.70
Profit on sale of property, plant and equipment (net)	239.84	25.82
Income from penalty charges	-	170.03
Miscellaneous income	276.46	381.32
<b>Total</b>	<b>48,433.15</b>	<b>1,04,668.06</b>
<b>23 Employee benefits expense</b>		
Salaries, wages and bonus	1,24,750.30	1,35,013.89
Contribution to provident and other fund	3,879.25	4,970.16
Gratuity and compensated absences expenses	9,118.26	8,454.63
Staff welfare expenses	4,378.55	4,098.58
<b>Total</b>	<b>1,42,126.36</b>	<b>1,52,537.26</b>
<b>24 Operating cost</b>		
Information technology support expenses	46,066.21	53,373.87
Networking / leased line expenses	6,598.21	5,633.65
Subscription charges	1,133.30	1,446.73
Clearing & Settlement charges	43,393.31	20,525.00
Contribution to Investor Protection Fund	1,000.00	2,074.84
<b>Total</b>	<b>98,191.03</b>	<b>83,054.09</b>

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at March 31, 2020

(Amount in ₹ thousand)

	<b>For the year ended March 31, 2020 Amount</b>	<b>For the year ended March 31, 2019 Amount</b>
<b>25 Financial cost</b>		
Finance cost for right of use of leased office	592.74	-
	<b>592.74</b>	<b>-</b>
<b>26 Other Expenses</b>		
Advertisement and business promotion expenses	1,49,447.44	35,125.92
Travelling and conveyance expenses	8,852.71	10,116.60
Repairs and maintenance	4,714.84	4,647.20
Professional charges	36,490.87	49,779.81
Lease rentals	4,011.09	8,643.31
Rates and taxes	7,342.46	11,985.45
Regulatory fee	1,000.00	1,100.00
Printing and stationery	1,198.92	4,796.47
Communication expenses	862.83	867.40
Electricity expenses	2,360.26	2,074.22
Director's sitting fees	910.00	935.00
Insurance	129.99	238.53
Provision for doubtful debts	-	1,860.00
Postage and courier	469.89	853.95
Auditor's Remuneration		
Statutory audit	400.00	500.00
Tax audit	75.00	75.00
Out of Pocket Exp & Certifications Charges	2.58	50.00
Miscellaneous	348.84	545.40
<b>Total</b>	<b>2,18,617.72</b>	<b>1,34,194.26</b>

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## Indian Commodity Exchange Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2020

27 Disclosures in respect of Ind AS – 24 Related Party are as given below.

#### Nature of relationship with Related Parties

##### 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)

Ms. Shweta Gujar - Company Secretary (till Sept 13, 2019 )

Mr. Ishan Kukreja - Company Secretary (from Feb 12 , 2020 )

(c) Significant Transactions with Related Parties:

(Amount in ₹ thousand)

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 benefits expense. Note - 23 )	15,994.68	-	16,278.10
Balance Outstanding as at Balance Sheet Date	NIL	NIL	NIL

28 Employee benefit obligations (Gratuity and Compensated Absences ) :

(a) Defined Contribution Plans:

The Company's contribution amounting to ₹ 1,899.52 thousand (Previous year ₹ 3,117.55 thousand ) to defined contribution plan (Provident Fund) are recognized as expenses in the Statement of Profit and Loss for the year ended March 31, 2020.

(b) Disclosures in respect of Employee Benefits in accordance with Ind AS 19 :

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, 2020, have been accounted for in the Statement of Profit and Loss .

The table below provides disclosures in respect of gratuity in accordance with Ind AS 19 :-

(Amount in ₹ thousand)

Particulars	As at March 31, 2020	As at March 31, 2019
	(Funded)	(Funded)
<b>Change in Benefit Obligation</b>		
Present value of obligation as at the beginning of the period	4,734.33	2,906.87
Acquisition adjustment	-	-
Interest Cost	362.65	224.12
Service Cost	2,344.87	1,788.84
Past Service Cost including curtailment Gains/Losses	-	-
Benefits Paid	(251.41)	-
Total Actuarial (Gain)/Loss on Obligation	141.94	(185.50)
Present value of obligation as at the End of the period	<b>7,332.38</b>	<b>4,734.33</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	3,173.72	2,953.56
Actual return on plan assets	120.38	106.21
Employer contribution	3,489.60	113.95
Benefits paid	(251.41)	-
Fair value of plan assets at the end of the period	<b>6,532.29</b>	<b>3,173.72</b>
<b>Net (liability)/ asset recognised in the Balance Sheet</b>	<b>800.09</b>	<b>1,560.61</b>
<b>Recognized in Profit and Loss</b>		
Current Service Cost	2,344.87	1,788.84
Net Interest Cost	119.54	(3.60)
Expenses Recognized	<b>2,464.41</b>	<b>1,785.24</b>

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: -

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.80%	7.66%
Expected return on plan assets	NA	NA
Expected rate of salary increase	6.00%	6.00%
Mortality Table 100% of	IALM (2012 - 14)	IALM (2006 - 08)

## 29 Capital and other commitments:

(Amount in ₹ thousand)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of Capital Commitments (Net of capital advances)	638.50	665.00

## 30 Contingent liabilities

In case of erstwhile NMCE, the case of CMC Ltd, Arbitration Award dated 05.01.2010 of ₹ 3,285 thousand together with running interest on the principal amount of ₹ 3,075 thousand at the rate of 12% p.a. till 31.01.2006 was awarded against erstwhile NMCE. The erstwhile NMCE has filed an appeal in the City Civil Court against the said Arbitration Award. In the event of decision against the erstwhile NMCE, the Company will be required to pay ₹ 3,285 thousand along with interest amount.

**Notes forming part of financial statements as at and for the year ended March 31, 2020**

**31 (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 erstwhile NMCE and to carry out the inspection of the books of accounts and records of the erstwhile NMCE.

Subsequent to the inquiry, the Commission vide Final Order No.FMC/Comp/VI/2010/12/14 dated July 23, 2011 has directed the erstwhile 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 ₹ 2,88,000 thousand paid to a company controlled by the then erstwhile NMCE Managing Director and his relatives.
- (b) To recover wrongful and illegal payment of ₹ 24,700 thousand made by erstwhile NMCE to an entity controlled by the relative of the then erstwhile NMCE Managing Director.
- (c) To recover an amount of ₹ 35,300 thousand paid by erstwhile NMCE to 56 consultants without proper authorisation.
- (d) To recover an amount of ₹ 2,093 thousand on account of misappropriation of funds of erstwhile NMCE by the then Managing Director towards purchase of vehicles.
- (e) To recover an unascertained amount of expenditure incurred by erstwhile 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 erstwhile NMCE for the relatives of the then Managing Director

Accordingly, erstwhile NMCE Company had filed recovery suits.

In addition to the above, the FMC has also directed erstwhile 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 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) shares to Neptune Overseas Limited and any other actions as provided under the Companies Act, 2013 (erstwhile Companies Act,1956). Pending cancellation, the impugned 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) equity shares of erstwhile NMCE held by Neptune Overseas Limited will not have any voting rights. Post merger ICEX has also actioned on the same lines.

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

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 on final outcome of court order.

**(B)** Further for the tax dues arising from the above, the erstwhile 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 erstwhile NMCE on account of fraud. Erstwhile NMCE offered expenses and allowances claimed of ₹ 3,04,715.70 thousand for Assessment Year 2007-08 to 2012-13. Tax dues of ₹ 1,31,429.47 thousand was determined, including interest of ₹ 58,532.46 thousand and tax of ₹ 1,17,597.69 thousand was paid, after adjusting the refund of ₹ 13,831.78 thousand. Erstwhile NMCE also made submission for the deduction of loss arising out of the embezzlement of ₹ 3,25,393.49 thousand. The Hon'ble ITSC has passed an order in favour of erstwhile NMCE allowing the embezzled loss as claimed by erstwhile NMCE on 29.09.2016.

(C) FMC vide its Final Order dated July 23, 2011, amongst others, directed erstwhile NMCE to refer the matter to the appropriate authorities under the Companies Act, 1956 for cancellation of the irregular allotment of 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) shares to Neptune Overseas Limited. Accordingly, erstwhile 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 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) shares to the NOL. Erstwhile 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 4,82,09,060 (pre-merger 46,42,629 shares of erstwhile NMCE) shares attached by the Enforcement Directorate. Therefore, the said shares, even if cancelled, may not lead to reduction in Net worth.

### 32 Revenue recognition

The Company derives revenues primarily from transaction fee, admission fee, annual subscription fee and connectivity charges.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the company expect to receive in exchange for those services.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue from operations for the year ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	(Amount in ₹ thousand)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Operating revenues</b>		
Revenue from membership admission fee	2,100.00	-
Revenue from transaction fee	19,130.24	9,077.58
Revenue from other membership fee	6,327.66	5,419.58
Total operating revenues	<b>27,557.90</b>	<b>14,497.16</b>
<b>Other operating revenues</b>		
Revenue from connectivity charges	4,720.69	4,299.80
Revenue from warehouse income	-	190.17
Total other operating revenues	4,720.69	4,489.97
<b>Total Revenue from operations</b>	<b>32,278.59</b>	<b>18,987.13</b>

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

### 33 Segment Reporting

The Company operates mainly in one reportable business segment and one reportable geographical segment, i.e., within India and accordingly "business of facilitating trading in commodities and incidental activities thereto" is considered as the only Primary Reportable business segment, as per Ind AS 108, "Operating Segments".

## Indian Commodity Exchange Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2020

#### 34 Leases

The Company has taken office premises on operating lease under lease arrangements. Rent expenses of ₹ 4,011.09 thousand (Previous year : ₹ 8,643.31 thousand) in respect of the same have been charged to the Statement of Profit and Loss for the year ended March 31, 2020. The minimum lease rentals in respect of such leases are as under: -

Particulars	(Amount in ₹ thousand)	
	As at March 31, 2020	As at March 31, 2019
Not later than one year	3,901.70	7,182.08
Later than one year but not later five years	691.82	3,655.69
Later than five years	-	-

The operating lease arrangements, are renewable on a periodic basis and relates to rented premises. Some of these lease agreements have price escalation clauses.

#### 35 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, 2020	For the year ended March 31, 2019
Profit/(Loss) available for equity shareholders (₹ in thousand)	(4,23,226.52)	(2,85,667.09)
Weighted average number of shares used for computing basic earnings per share	53,35,07,476	53,35,07,476
Face/Nominal value of equity shares - (₹)	5.00	5.00
Basic earnings per share - (₹)	(0.79)	(0.54)
Weighted average number of shares used for computing diluted earnings per share	53,35,07,476	53,35,07,476
Diluted earnings per share - (₹)	(0.79)	(0.54)

36 The Company has not given any loans to or guarantee in respect of loans given to any other bodies corporates. Further, it has invested in mutual funds and fixed deposits and accordingly complied with section 186 (4) of the Companies act, 2013.

37 Taxation

(Amount in ₹ thousand)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income tax recognised in the statement of profit and loss</b>		
Current tax	-	-
Excess Income Tax Provision of earlier years	-	-
Deferred tax	-	-
<b>Total</b>	-	-
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	(4,23,226.52)	(2,85,667.09)
Applicable tax rate	31.20%	30.90%
Computed tax expense	(1,32,046.67)	(88,271.13)
<b>Tax effect of :</b>		
Expenses not allowed	15,455.20	42,174.79
Excess income tax provision for earlier years	-	-
Income Tax Provision (A)	-	-
Incremental deferred tax (assets) / liability on account of tangible and intangible assets	(1,00,849)	(34,927)
Incremental deferred tax (asset)/liability on account of financial assets	1,00,849	34,927
Deferred tax provision (B)	-	-
Tax expenses recognized in Statement of Profit and Loss (A+B)	-	-

(Amount in ₹ thousand)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Income Tax (Net of Provision)		
At start of the year	23,667.84	30,503.02
Charge for the year	-	-
(Refund received) / Tax paid during the year	(7,382.26)	(6,835.18)
At the end of the year	<b>16,285.58</b>	<b>23,667.84</b>

38 Deferred Tax Liabilities (Net)

(Amount in ₹ thousand)

Particulars	As at March 31, 2020	As at March 31, 2019
At the start of the year	-	-
(Credit) / Charge to Statement of Profit and Loss	-	-
At the end of the year	-	-

Component of Deferred Tax Liabilities :

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities in relation to		
Property, plant and equipment	(1,00,849.15)	(34,926.83)
Provision for employee benefits	2,021.07	823.09
Provision for doubtful trade receivables & others		580.32
brought forward income tax losses	5,42,704.72	4,18,958.36
Financial assets at FVTPL	1,332.21	(6,049.60)
<b>Deferred tax assets not recognised</b>	<b>4,45,208.85</b>	<b>3,79,385.35</b>

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

The above deferred tax assets have not been recognised due to the reason of virtual certainty considering prudence, during the year ended March 31, 2019, in accordance with the recommendations of Ind AS - 12 Income Taxes (Previous year - Nil).

## Indian Commodity Exchange Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2020

- 39 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.

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

Particulars	(Amount in ₹ thousand)	
	As at March 31, 2020	As at March 31, 2019
Opening balance	-	1,18,108.46
Amount transferred during the year to IPF Trust	-	(1,18,108.46)
Closing balance	-	-

- 40 The ICEX Board at its meeting held on June 30, 2017 approved the Scheme of Amalgamation of NMCE with ICEX and their respective shareholders. The Hon’ble National Company Law Tribunal (“NCLT”) convened meeting of Equity shareholders of ICEX 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. The appointed date as per the scheme is April 1, 2017, w.e.f September 7, 2018 NMCE ceases to exist. The Amalgamation has been accounted as prescribed by the Ind AS- 103. Accordingly, the assets and liabilities of the erstwhile NMCE as at 1st April, 2017 have been taken at their book values as specified in clause 2.3 of the Scheme of Amalgamation duly approved by NCLT.

Other disclosure in accordance with Ind AS 103 is as follows

Name of acquiree	National Multi Commodity Exchange of India Limited
Voting equity interests acquired	100%
How the acquirer obtained control of the acquiree	Control is obtained by the virtue of amalgamation
Fair value of the total consideration	₹ 9,92,537.38 thousand ( 19,85,07,476 equity shares of ₹ 5 each)

Major class of assets acquired and liabilities assumed as at April 01, 2017

(Amount in ₹ thousand)	
<b>Assets</b>	
<b>Non-Current Assets</b>	
Property, plant and equipment	21,548.40
Deferred Tax Assets	4,500.95
Long Term Loan and Advances	78,211.92
Other Non-Current Assets	1,46,124.75
<b>Current Assets</b>	
Current investments	3,03,295.71
Trade receivables	3,702.23
Cash and Bank Balance	3,18,246.58
Short Term Loan and Advances	5,167.40
Other Current Assets	3,630.82
<b>Total Assets</b>	<b>8,84,428.77</b>
<b>Liabilities</b>	
<b>Non-Current Liabilities</b>	
Other Long Term Liabilities	22,900.00
<b>Current Liabilities</b>	
Trade Payables	1,903.51
Other Current Liabilities	1,44,233.94
Short Term Provisions	4,037.22
<b>Total Liabilities</b>	<b>1,73,074.66</b>

- 41 As at the close of the year, the Exchange holds Diamond worth ₹ 21,001.97 thousand (Previous year: ₹ 24,080.67 thousand) 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.

**42 Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- i) Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk.
- ii) Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

**43** The Government of India on account of Covid-19, has declared nation-wide lockdown from March 25, 2020 onwards. Based on the assessment of the impact of pandemic, the management is of the view that there has been adverse impact on the business of the Company mainly because the physical market of the derivatives traded on the Exchange platform has witnessed slowdown. To redeem the situation, the Management is considering various plans which include cost benefit analyse of existing business and its current viability. The management is planning to introduce other permissible business segments that could generate new stream of revenue, trim down cost and enhance its resources by release of working capital blocked in existing business. The Company has also planned to raise fresh capital through private placement to increase capitalisation in the Exchange.

**44 Financial Instruments**

The financial assets are valued at fair value using discounted cash flow analysis.

**(i) Fair value measurement hierarchy**

(Amount in ₹ thousand)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Level of inputs used	Carrying amount	Level of inputs used
Financial Assets				
At Amortised Cost				
Trade receivables	17,808.89	Level 2	15,885.88	Level 2
Cash and cash equivalents	10,831.90	Level 1	3,730.29	Level 1
Bank balance other than cash and cash equivalents	3,31,346.50	Level 1	2,61,029.50	Level 1
Others	27,886.72	Level 2	12,545.56	Level 2
<b>At FVTPL</b>				
Current Investments	1,51,697.94	Level 1	6,44,058.10	Level 1
<b>Financial Liabilities</b>				
<b>At Amortized Cost</b>				
Trade Payables	2,653.65	Level 2	2,049.02	Level 2
Others	77,832.62	Level 2	69,849.54	Level 2

The financial instruments are categorised into following levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

**(ii) Credit Risk**

Credit risk is the risk that a receivables to a financial instrument fails to pay the amounts due causing financial loss to the company. Credit risk arises from Company's activities in investments and outstanding receivables.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at and for the year ended March 31, 2020**

**45** In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2020 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.

**46** The financial statements were approved for issue by the Board of Directors on August 26, 2020.

**47** 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 Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W / W100355

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

**Sandesh Ladha**

Partner

Membership No. 047841

**V. K. Sharma**

Director

DIN: 02449088

**S. K. Agarwal**

Director

DIN: 01320750

**Chitra Shringare**

Director

DIN: 08158196

**Ajit Kumar Mittal**

Director

DIN: 02698115

**Sanjit Prasad**

MD & CEO

DIN: 03304097

**Ghanashyam V. Rao**

CFO

Navi Mumbai, August 26, 2020

**Ishan Kukreja**

Company Secretary