



**Indian Commodity Exchange Limited**

**CIN: U67120GJ2008PLC099142**

Registered Office: 1<sup>st</sup> Floor, Office - 109, Nodh No- 1158 to 63/65/9, Hat Faliyu,  
Mahidharpura, Surat – 395003, Gujarat

Tel.: 0261-3009960

Website: [www.icexindia.com](http://www.icexindia.com); E-mail: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)

**NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF  
THE EQUITY SHAREHOLDERS**

<b>Day</b>	:	Friday
<b>Date</b>	:	April 6, 2018
<b>Time</b>	:	11:30 A.M. IST
<b>Venue</b>	:	Indian Commodity Exchange Limited, 1 <sup>st</sup> Floor, Office - 109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat – 395003

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH, AT AHMEDABAD  
COMPANY APPLICATION (CAA) NO. 105 OF 2017**

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited ('NMCE' or 'the Amalgamating Company') with Indian Commodity Exchange Limited ('ICEX' or 'the Amalgamated Company') and their respective shareholders ('Scheme')

And

In the matter of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

**Indian Commodity Exchange Limited** ....the Amalgamated Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF  
INDIAN COMMODITY EXCHANGE LIMITED,  
THE AMALGAMATED COMPANY ("MEETING")**

**To,**

**The Equity Shareholder(s) of Indian Commodity Exchange Limited**

*("the Company" or "the Amalgamated Company" or "the Transferee Company" or "ICEX")*

Notice is hereby given that by an Order dated February 21, 2018, in the abovementioned Company Application (CAA) No. 105 of 2017, Ahmedabad Bench of the Hon'ble National Company Law Tribunal ("Tribunal") has directed a Meeting to be held of the Equity Shareholders of the Company, for the purpose of considering, and if thought fit, approving with or without modification(s), the 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 ("the Company" or "the Amalgamated Company" or "the Transferee Company" or "ICEX") and their respective shareholders ("the Scheme" or "Scheme").

In pursuance of the said Order and as directed therein, further notice is hereby given that a Meeting of the Equity Shareholders of the Amalgamated Company will be held to transact the following special business at 1<sup>st</sup> Floor, Office - 109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat - 395 003 on Friday, April 6, 2018 at 11:30 A.M. IST, at which time and place, the said Equity Shareholders of the Amalgamated Company are requested to attend, to consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority.

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Companies Act") and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval by the requisite majority of the shareholders and / or the creditors of the Company, if any, and as

directed by the National Company Law Tribunal, and further subject to other consents, approvals and permissions being obtained from appropriate authorities to the extent applicable or necessary, approval of the Equity Shareholders be and is hereby accorded to the Scheme of Amalgamation between National Multi-Commodity Exchange of India Limited and the Company and their respective shareholders (“Scheme”), as attached to the notice.

**RESOLVED FURTHER THAT** the Board of Directors (“Board”) be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and / or conditions, if any, which may be required and/or imposed by the National Company Law Tribunal, Ahmedabad Bench and/or any other authority(ies) while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Explanatory Statement under Section 230 read with Section 102 of the Companies Act, 2013 along with copy of the Scheme and other annexures including Proxy Form and Attendance Slip are enclosed herewith. Copies of the Scheme and Statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company or at the office of its advocates, M/s. Raval & Raval having their office at 21/23 Laxmi Chambers, Navjivan Press Road, Near Old High Court Railway Crossing, Ahmedabad - 380014.

The Tribunal has appointed Mr. Manish Jain, Advocate as the Chairman / Chairperson of the said Meeting and in respect of any adjournment thereof. The Scheme, if approved by the Meeting, will be subject to the subsequent approval of the Tribunal.

Persons entitled to attend and vote at the said Meeting, may vote in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Company at 1<sup>st</sup> Floor, Office - 109, Nodh No. - 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat – 395 003, not later than 48 hours before the Meeting. Forms of proxy can be obtained from the registered office of the Amalgamated Company.

Sd/-

**Manish Jain**

Chairperson appointed for the Meeting

**Place** : Mumbai

**Date** : February 27, 2018

**Registered Office:**

Indian Commodity Exchange Limited

1st Floor, Office - 109,

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

Hat Faliyu, Mahidharpura,

Surat – 395003

CIN - U67120GJ2008PLC099142

## Notes:

1. The Notice together with the documents accompanying the same is being sent to the Equity Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business hours on January 31, 2018 in physical mode to all the shareholders at their registered address. This Notice may also be accessed on Company's Website [www.icexindia.com](http://www.icexindia.com).
2. **AN EQUITY SHAREHOLDER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy Form duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and / or holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Only registered equity shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholder's meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Company may attend and vote at the meeting, provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the Registered Office of the Company authorising such representative to attend and vote at the equity shareholders' meeting.
4. All alterations made in the proxy form should be initialled.
5. Shareholder or his Proxy or authorized representative is requested to bring the copy of the notice to the meeting and handover the enclosed Attendance Slip, duly completed and signed in accordance with their specimen signature(s) registered with their respective Depositories or with Amalgamated Company at the entrance of the Meeting venue for admission.
6. Shareholders whose names appear on the Register of Members / Record of Depositories as at the close of business on Wednesday, January 31, 2018 ("cut-off date") will be considered for the purpose of voting and the voting rights shall be reckoned based on the equity shareholding as on the same date. Any person who acquires shares of the Company and becomes the member of the Company after the cut-off date shall not be eligible to vote.
7. It is further clarified that the Proxies can only vote on Poll at the Meeting and not through any other mode.
8. Members who holds shares in dematerialised form are requested to bring their Client ID and DP ID number for easy identification of attendance at the meeting. The Proxies or authorised representative should carry their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card.

9. The quorum of the Meeting of the Equity Shareholders of the Company shall be 5 (Five) persons present in person.
10. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date.
11. As directed by the Tribunal, Mr. Ganesh S. Shetty, Practising Company Secretary shall act as Scrutinizer to scrutinize votes cast on Poll at the Meeting and submitting a report on votes cast to the Chairperson of the Meeting within 48 hours from the conclusion of the meeting.
12. The result of the voting shall be announced by the Chairperson, upon receipt of Scrutinizer's Report.
13. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the registered office of the Amalgamated Company upto the date of the meeting between 11:00 A.M. IST and 2:00 P.M. IST on all working days, except Saturdays, Sundays and Public Holidays.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
BENCH, AT AHMEDABAD  
COMPANY APPLICATION (CAA) NO. 105 OF 2017**

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited ('NMCE' or 'the Amalgamating Company') with Indian Commodity Exchange Limited ('ICEX' or 'the Amalgamated Company') and their respective shareholders ('Scheme')

And

In the matter of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

**Indian Commodity Exchange Limited**

....the Amalgamated Company

**EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF INDIAN COMMODITY EXCHANGE LIMITED DIRECTED TO BE CONVENED BY AHMEDABAD BENCH OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL**

**Details of the Companies or Parties involved in the Scheme:**

1. **National Multi-Commodity Exchange of India Limited** - referred to as "the Amalgamating Company" or "the Transferor Company" or "NMCE"; and
2. **Indian Commodity Exchange Limited** - referred to as "the Company" or "the Amalgamated Company" or "the Transferee Company" or "ICEX";

The Scheme of Amalgamation between the above Companies and their respective shareholders is referred to as "the Scheme" or "this Scheme" or "Scheme" and the above Companies together are referred to as "the Companies". Other definitions contained in the enclosed Scheme will apply to this Statement.

1. This is a Statement accompanying the Notice convening the meeting of the Equity Shareholders of the Amalgamated Company.
2. Pursuant to an Order dated February 21, 2018 passed by the Ahmedabad Bench of the Hon'ble National Company Law Tribunal ("Tribunal") in the Company Application (CAA) No. 105 of 2017 referred to hereinabove, a meeting of the Equity Shareholders of the Amalgamated Company is being convened and held at 1<sup>st</sup> Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat - 395 003 on Friday, April 6, 2018 at 11:30 A.M. IST, for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the 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 ("the Company" or "the Amalgamated Company" or "the Transferee Company" or "ICEX") and their respective shareholders ("Scheme" or "the Scheme").

3. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation has been approved by the Board of Directors of the Companies at their respective board meeting held on June 30, 2017, is attached to this Explanatory Statement and forms part of this Statement.

#### 4. Details of the Companies:

##### 4.1 Indian Commodity Exchange Limited

- a. Indian Commodity Exchange Limited (“the Company” or “the Amalgamated Company” or “the Transferee company” or “ICEX”), a Public Limited Company, having Corporate Identity Number U67120GJ2008PLC099142, was incorporated under the provisions of the Companies Act, 1956, under the name of “International Multi Commodity Exchange Limited” on August 18, 2008. Subsequently, the name of the Amalgamated Company was changed to its current name “Indian Commodity Exchange Limited” with effect from July 20, 2009. Permanent Account Number of the Amalgamated Company is AABCI9479D.
- b. The registered office of Amalgamated Company was shifted from Dev House, 260-261 Tribhuwan Complex, Ishwar Nagar, New Friends colony (W), New Delhi - 110065 to its present address i.e. 1<sup>st</sup> Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat - 395 003 with effect from August 11, 2017. The e-mail address of the Amalgamated Company is [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)
- c. The main object clause of the Amalgamated Company was altered vide special resolution passed by the shareholders of the Amalgamated Company in the Annual General Meeting held on September 30, 2013.

The objects of the Amalgamated Company are set out in its Memorandum of Association. The objects of the Amalgamated Company are as follows:

*“III The objects for which the company is established are:*

*(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION IS:*

- 1) To establish, operate, regulate, assist, promote, facilitate and manage facilities for nationwide trading in different types of contracts in commodities, derivatives, such as Futures, Options and other kinds of derivatives, in ready, forward and futures markets, as may be executed, transacted, cleared and settled, on the Exchange by the members of the Exchange, their authorized agents and constituents and other participants, and to provide accessibility of the markets to various Members of the Exchange and their authorized agents and constituents and other participants with in and/ or outside India.*
- 2) To initiate, facilitate and undertake all such activities in relation to the Exchange as are required for reliable nationwide platform to hedge commodity and price related risks for cross-section of players dealing in various commodities, and derivatives, as per the Articles of Association, Bye Laws, Rules and Regulations of the Exchange with a high standard of integrity and honesty to support, develop, promote and maintain a healthy*

*market in the best interest of all its members, their agents and constituents and participants, the general public and the economy.*

- d. The Amalgamated Company is a deemed Recognised Stock Exchange under the Securities Contracts (Regulation) Act, 1956 in terms of Section 131[B] of Finance Act, 2015 providing a nationwide online trading platform in commodity derivatives. The Amalgamated Company is engaged in the business of commodity exchange by way of facilitating and managing nationwide trading in different types of contracts in commodities in India through its online exchange trading platform.
- e. There has been no change in the name, object clause [except as mentioned in clause 4.2 (c)] and registered office [except as mentioned in clause 4.2 (b)] of the Amalgamated Company during the last five years.
- f. The equity shares of the Amalgamated Company are not listed on any Stock Exchanges in India or elsewhere.
- g. Capital Structure – The authorised, issued, subscribed and paid-up share capital of the Amalgamated Company as on March 31, 2017 is as under:

<b>Authorised Capital</b>	<b>Amount in INR</b>
35,00,00,000 Equity Shares of Rs 5/-each	175,00,00,000
<b>Total</b>	<b>175,00,00,000</b>
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
33,50,00,000 Equity Shares of Rs 5/- each fully paid up	167,50,00,000
<b>Total</b>	<b>167,50,00,000</b>

Subsequent to the above date, there has been no change in Authorised, Issued, Subscribed and Paid-Up Equity Share Capital of the Amalgamated Company.

- h. Statement of Audited Financial Results of the Amalgamated Company for the financial year ended March 31, 2017 is available on the website of the Amalgamated Company at [www.icexindia.com](http://www.icexindia.com). Supplementary Accounting Statement of the Amalgamated Company as on December 31, 2017 is attached to this Notice.
- i. The details of the promoters and present directors of the Amalgamated Company along with their addresses are as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>
<b>Promoters</b>		
1.	Reliance Exchangenext Limited	Kamala Mills Compound, Trade World B-Wing, 7th Floor, S. B. Marg, Lower Parel, Mumbai – 400013.
2.	Indiabulls Housing Finance Limited	M - 62 & 63, First Floor, Connaught Place New Delhi – 110001.



<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>
3.	MMTC Limited	Core-1, Scope Complex 7, Institutional Area, Lodhi Road, New Delhi - 110003.
<b>Directors</b>		
1.	Mr. Ashok Sinha – Chairman, Public Interested Director	Flat No. 13, Yayati Housing Society, Sector 58- A, Palm Beach Road, Nerul (West), Navi Mumbai - 400706.
2.	Mrs. D Vijayalakshmi - Public Interested Director	101, Birch Nyati Meadows, Vadgaon Sheri, Pune – 411014.
3.	Mr. Radhakrishna Nair - Public Interested Director	J1403, Raheja Vista, Raheja Vihar, Chandivali, Andheri (East), Mumbai, Maharashtra- 400072.
4.	Mr. Vinod Sharma – Public Interested Director	B 804, Park Titanium Park Street, Kalewadi Phata, Wakad, Hinjavadi, Pune, Maharashtra – 411057.
5.	Mr. Ajit Mittal – Shareholder Director	A-403, Ashok Garden, Thokarsi Jivraj Road, Shivadi, Mumbai, Maharashtra - 400015.
6.	Mr. Lav Chaturvedi – Shareholder Director	403-404, Golden Rays, X Wing,, Shastri Nagar, Andheri (West), Mumbai, Maharashtra-400053.
7.	Mr. Parvinder Gahlaut – Shareholder Director	Flat No.9156, Sector C, Pocket 9, Vasant Kunj, New Delhi -110070.
8.	Mr. Sanjit Prasad – Managing Director & CEO	A 15, Army Welfare Society, AWHO, Dara Enclave, Sector 9, Nerul, Navi Mumbai, Maharashtra – 400706

#### **4.2 National Multi-Commodity Exchange of India Limited**

- a. National Multi-Commodity Exchange of India Limited (“the Amalgamating Company” or “the Transferor Company” or “NMCE”), a Public Limited Company, having Corporate Identity Number U75131GJ2001PLC040281, was incorporated under the provisions of the Companies Act, 1956 in Gujarat under the name of “Online Commodity Exchange of India Limited” on December 20, 2001. Subsequently, the name of the Amalgamating Company was changed to its current name “National Multi-Commodity Exchange of India Limited” on January 28, 2003. Permanent Account Number of the Amalgamating Company is AABCN6663L.

- b. The registered office of NMCE is situated at Office No.4, 4<sup>th</sup> Floor, H. K. House, Behind Jivabhai Chambers, Ashram Road, Ahmedabad – 380 009. E-mail address of the Amalgamating Company is [narayan.rai@nmce.com](mailto:narayan.rai@nmce.com) / [jyot.bhatt@nmce.com](mailto:jyot.bhatt@nmce.com)
- c. The objects for which the Amalgamating Company has been established are set out in its Memorandum of Association. Clause III(A)(2) and Clause No. III(B)(8) of Memorandum of Association have been amended by substituting the words “Securities Contract (Regulation) Act, 1956” for the words “Forward Contracts (Regulation) Act, 1952” with effect from July 7, 2017, as a result of the merger of FMC with SEBI. The objects of the Amalgamating Company are as follows :

*“III The objects for which the company is established are:*

*(A) THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:*

- 1) “To establish, develop, facilitate, provide maintain, operate, improve and to carry on various activities relating to Commodity Exchange as may be necessary or convenient.*
- 2) To facilitate, promote, assist, regulate, maintain, operate, run, manage and deal in all permitted commodities subject to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder and to provide specialised, advanced, automated and modern facilities for trading, clearing and settlement of commodities, with a high standard of integrity and honour, and to ensure trading in a transparent, fair and open manner.*
- 3) To facilitate transactions in all permitted commodities and to establish, provide and maintain a Clearing House, brokerage house, real time price and/or quotation system, warehousing for pursuing the objects and purposes of the Company and to control and regulate the use and administration thereof.*
- 4) To set standards, benchmarks, formulate guidelines, regulate and control dealings in all permitted commodities and to ensure fair dealings therein.*
- 5) To initiate, facilitate and undertake all steps and all such activities in relation to Commodity Exchange as required for better services and protection, including but not limited to; taking measures for ensuring greater liquidity (both in terms of breadth and depth in the trading) providing easier access to the Exchange, facilitate transactions in commodities, to the extent possible in a cost effective, expeditious and efficient manner.*
- 6) To support, develop, promote and maintain a healthy commodity market in the best possible manner for the interested group, the general public and the economy, and also to introduce high standards of professionalism among themselves.”*

- d. The Amalgamating Company is a deemed Recognised Stock Exchange under the Securities Contracts (Regulation) Act, 1956 providing online screen based derivative exchanges for permitted commodities and is registered with Securities Exchange Board of India ('SEBI').
- e. There has been no change in the name, object clause [except as mentioned in clause 4.1(c)] and registered office of the Amalgamating Company during the last five years.
- f. The equity shares of the Amalgamating Company are not listed on any Stock Exchanges in India or elsewhere.
- g. Capital Structure – The authorised, issued, subscribed and paid-up share capital of the Amalgamating Company as on March 31, 2017 is as under:

<b>Particulars</b>	<b>Amt. in INR</b>
<b>Authorised Share Capital:</b>	
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000
50,00,000 Preference Shares of Rs. 10 each	5,00,00,000
<b>Total</b>	<b>55,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital:</b>	
1,91,16,667 Equity Shares of Rs. 10 each fully paid-up	19,11,66,670
<b>Total</b>	<b>19,11,66,670</b>

Subsequent to the above date, there has been no change in Authorised, Issued, Subscribed and Paid-Up Equity Share Capital of the Amalgamating Company.

- (h) Statement of Audited Financial Results of the Amalgamating Company for the financial year ended March 31, 2017 is available on the website of the Amalgamating Company at [www.nmce.com](http://www.nmce.com). Supplementary Accounting Statement of NMCE as on December 31, 2017 is attached to this Notice.
- (i) Details of the present promoters and directors of the Amalgamating Company along with their addresses are as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>
<b>Directors :</b>		
1.	Shri Alok Sinha, IAS (Retd.)- Independent Director- Chairman	H. No. 46, Greenwoods Govt Officers Welfare Society Plot No. P 2, Sector-Omega 1, Near Pari Chowk, Greater Noida - 201307.
2.	Ms. Mangala Prabhu, Independent Director	04, Floor 2nd, Plot-768, Krishna Niwas, Dr Ghanti Road, Parsi Colony, Dadar (E), Mumbai – 400014.

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>
3.	Shri Vishwa Ranjan Gupta- Shareholder Director	G-97, Sarita Vihar, New Delhi 110076.
4.	Shri Shrinivas Chandrashekhar Mudgerikar- Shareholder Director	604 Om Aditya Housing Society Ganeshwadi Panchpakhadi, Thane (West) - 400601.
5.	Shri Anil Kumar Mishra, Managing Director & CEO	No. 1 Vaibhav, Dodsworth Layout 5 <sup>th</sup> Cross Outer Circle, Whitefield, Bangalore – 560066.

**Note:** At present there are no promoters of the Amalgamating Company.

5. There is no relationship subsisting between both the companies i.e., NMCE and ICEX, who are parties to the Scheme.
6. At the meeting held on June 30, 2017, the Board of Directors of the Amalgamated Company had unanimously approved the proposed Scheme, after taking on record the Report on Share Exchange Ratio dated June 30, 2017 issued by M/s. N.M. Raiji & Co., Chartered Accountants, an independent valuer, and Fairness Opinion dated June 30, 2017, issued by M/s. Vivro Financial Services Private Ltd., a SEBI registered Merchant Banker. At the meeting held on June 30, 2017, the Board of Directors of the Amalgamating Company had unanimously approved the proposed Scheme.

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

(i) **NMCE**

<b>Name of the Directors of NMCE present in the Meeting</b>	<b>Voted in Favour/ Against/ Abstain from voting</b>
1. Shri Alok Sinha, IAS (Retd.)- Public Interest Director – Chairman	Voted in Favour
2. Shri Vijay Ranjan, IRS (Retd.) Public Interest Director	Voted in Favour
3. Ms. Mangala Prabhu, Public Interest Director	Voted in Favour
4. Shri Vishwa Ranjan Gupta, Shareholder Director	Voted in Favour
5. Shri Anil Kumar Mishra, Managing Director	Voted in Favour

(ii) **ICEX**

<b>Name of the Directors of ICEX present in the Meeting</b>	<b>*Voted in Favour/ Against/ Abstain from voting</b>
1.Mr. Ashok Sinha – Chairman, Public Interested Director	Voted in Favour
2. Mrs. D Vijayalakshmi - Public Interested Director	Voted in Favour
3. Mr. RadhakrishnaNair - Public Interested Director	Voted in Favour
4. Mr. Vinod Sharma – Public Interested Director	Voted in Favour
5. Mr. Lav Chaturvedi – Shareholder Director	Voted in Favour
6. Mr. Sanjit Prasad – Managing Director & CEO	Voted in Favour

*\*Mr. Ajit Mittal and Mr. Parvinder Gahlaut were granted leave of absence for the Meeting.*

**7. Description of the Scheme**

This Scheme is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) for the amalgamation of National Multi-Commodity Exchange of India Limited with Indian Commodity Exchange Limited and such other approvals/ permissions, as may be required under the applicable laws, regulations, and guidelines issued by the regulatory authorities.

This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) and other relevant provisions of the Income-Tax Act, 1961.

**8. Rationale of the Scheme or the Benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others**

The Transferor Company and the Transferee Company are deemed Recognised Stock Exchanges under the Securities Contracts (Regulation) Act, 1956 providing online screen based derivative exchanges for permitted commodities and are registered with Securities Exchange Board of India. The amalgamation of the Transferee Company and the Transferor Company would consolidate the business operations of the Transferee Company and the Transferor Company and have the following benefits:

1. Greater integration of operations, greater financial strength and flexibility resulting in operational synergy of the combined entity;
2. Greater efficiency in management of resources of the Transferor Company and access to resources of the Transferor Company may be deployed more efficiently in the combined entity;
3. Providing a common platform for the trading of several permitted commodities, being traded by the Transferor Company and proposed to be traded by the Transferee Company; and
4. Reducing administrative, operative and marketing costs.

The amalgamation of the Transferor Company with the Transferee Company would thus help in attaining operational efficiencies, cost competitiveness, creating synergies for businesses; and would assist in capitalizing on the growth opportunities to the fullest extent as the Transferor Company and Transferee Company are engaged in similar line of business, being online screen based derivative exchanges for permitted commodities.

**9. Key salient features of the Scheme**

- a) “Appointed Date” for the Scheme means April 1, 2017 or such other date as may be fixed or approved by the Tribunal.
- b) “Effective Date” means the last of the date on which the certified copies of the Order of the Tribunal sanctioning the Scheme of Amalgamation is filed with the jurisdictional Registrar of Companies, having jurisdiction over the Transferor Company and the Transferee Company, pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013 by the Transferor Company and the Transferee Company.
- c) “MMTC Litigation” means the legal proceedings listed in Annexure 1 Part B of Scheme;
- d) “NOL Litigation” means the legal proceedings listed in Annexure 1 Part C of Scheme;
- e) With effect from the Appointed Date, the whole of the undertaking and properties, debts, liabilities, duties, obligations, contracts, employees, etc. of the Transferor Company (as defined in Clause 2.1 of the Scheme) shall be transferred and vested in the and assumed by and / or deemed to be transferred to, vested in and assumed by the Transferee Company as going concern pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and in accordance with section 2(1B) of the Income-Tax Act, 1961.
- f) Issue and allotment of shares
  - i. Upon the Scheme becoming effective and in consideration of transfer and vesting of the Transferor Company to the Transferee Company, the Transferee Company shall on the Record Date (immediately post effectiveness of the Scheme), without any further application or deed, issue and allot, at par, to all equity shareholders of the Transferor Company whose name appears in the

Register of Members of the Transferor Company as on the Record Date or to their successors-in-title fully paid up equity shares in the following manner:

*“10,384 fully paid up equity shares of INR 5 each of the Transferee Company shall be issued and allotted for every 1,000 equity shares of INR 10 each held in the Transferor Company.” (Share Exchange Ratio)*

- ii. The shareholders of the Transferor Company holding less than 1,000 equity shares of the Transferor Company will be issued proportionate shares of the Transferee Company based on the above share exchange ratio.
- iii. Any fraction arising on issue of shares as above will be rounded off to the next integer.
- iv. The equity shares issued and/ or allotted pursuant to Clause 2.2.1 of the Scheme, in respect of the equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute due to which they are held in abeyance by order of court or otherwise, be held in abeyance by the Transferee Company.
- v. **Para 2.2.8 of the Scheme:** Unless otherwise directed by the Tribunal, (a) 29,32,280 shares of the Transferor Company in the name of Neptune Overseas Limited, which are subject matter of the NOL Litigation shall be replaced with new shares of the Transferee Company in terms hereof, on the Scheme becoming effective; (b) the attachment on the shares of the Transferor Company held by Neptune Overseas Limited and Mr. Kailash Gupta as per the orders of the Joint Director, Directorate of Enforcement, Ahmedabad in the NOL Litigation shall continue without any variation in respect of the new shares of the Transferee Company if to be issued pursuant to this Scheme to Neptune Overseas Limited and Mr. Kailash Gupta. In the event the shares of the Transferor Company issued and allotted to Neptune Overseas Limited are ordered to be cancelled, the shares issued and allotted by the Transferee Company, if issued and allotted in exchange of the said cancelled shares of the Transferor Company pursuant to the provisions of paragraphs 2.2.1 to 2.2.8 of the Scheme shall also stand cancelled without any further act of parties. Upon occurrence of such event, the Transferee Company shall without any requirement to pass any special resolution under Section 62 of the Act, but subject to applicable law and directions of the NCLT, issue and allot to the shareholders of the Transferor Company (except such shareholders whose shares have been cancelled), the same number of fully paid up equity shares of the Transferee Company which have been cancelled as above, in consideration of the transfer of undertaking of the Transferor Company pursuant to this Scheme. The Transferor Company shall issue and allot the said additional fully paid up equity shares to the eligible shareholders of the Transferor Company on a pro-rata basis.
- vi. **Para 2.2.9 of the Scheme:** If under the applicable law, regulations or guidelines issued by applicable government authority or regulatory authority, the shareholders of the Transferor Company (except those whose shares have been cancelled) are not able to receive and hold such additional shares to be

allotted pursuant to the provisions of paragraph 2.2.8 of the Scheme, the Transferee Company shall if permitted under the applicable law, either (i) issue and allot the said additional shares to any investors eligible to hold such shares under applicable law as identified by the shareholders of the Transferor Company (except those whose shares have been cancelled), at fair market value to be determined by an independent valuer and distribute the issue proceeds (net of the issue cost and expenses) to the shareholders of the Transferor Company (except those whose shares have been cancelled) on a pro-rata basis; or (ii) transfer the said additional equity shares to investors eligible to hold such shares under applicable law identified by the shareholders of the Transferor Company (except those whose shares have been cancelled), for and on behalf of the shareholders of the Transferor Company (except those whose shares have been cancelled) who would have been entitled to receive the said additional shares; or (iii) disburse the value of the shares so cancelled to the shareholders of the Transferor Company (except those whose shares have been cancelled) on a pro-rata basis.

- g) On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.
- h) The Scheme is and shall be conditional upon and subject to various events listed in Clause 3.5 – “Conditionality of the Scheme” of the Scheme.

**You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.**

#### **10. Summary of Report on Share Exchange Ratio and Fairness Opinion**

- a) Summary of Report on Share Exchange Ratio issued by M/s. N.M. Raiji & Co., Chartered Accountants, an independent valuer
  - i. For the purpose of Share Exchange for the merger of NMCE with ICEX, the valuer has considered “Underlying Asset Approach” and “Comparable Companies Market Multiple Approach” methods for valuation of ICEX and NMCE. The valuer has derived the share exchange ratio on the basis of a relative valuation of the shares of both the companies based on various qualitative factors relevant to each of the companies and the business dynamics and growth potential of the businesses of the companies, having regard to the information base, management representations and perceptions, key underlying assumptions and limitations. The share exchange ratio has been arrived at on the basis of Relative valuation of the shares of the Companies based on various qualitative factors relevant to each company. Valuer has given 75% weight to “Underlying Asset Approach” and 25% weight to “Income Approach” for arriving at a share exchange ratio.
- b) The Fairness Opinion is obtained from M/s. Vivro Financial Services Private Limited, Merchant Banker.



- i. The share exchange ratio as recommended by Valuer which forms the basis for arriving at consideration in the form of equity shares for the Scheme is fair and reasonable.
- c) The Report on Share Exchange Ratio and Fairness Opinion are available for inspection at the registered office of the Amalgamated Company.
11. Statutory Auditors of the Amalgamated Company, M/s. SMMP & Associates, Chartered Accountants had vide certificate dated August 9, 2017 confirmed that the accounting treatment proposed in the Scheme is in compliance with the applicable Accounting Standards (i.e. Accounting Standards 14: Accounting for Amalgamation) notified under Section 133 of the Companies Act, 2013 read with the Rule 7 of Companies (Accounts) Rules, 2014 and other Generally Accepted Accounting Principles.
12. **Amount due to Unsecured Creditors as on December 31, 2017 (provisional)**

Particulars of amount due to Unsecured Creditors for respective company's involved in the Scheme as at December 31, 2017 are detailed herein:

Name of the respective Companies	Amount in Rs.
NMCE	11,28,63,281
ICEX	61,62,890

13. **Effect of the Scheme on various parties**

- a) **Directors and Key Managerial Personnel (KMPs)** - The Directors or KMPs or their relatives of the respective Companies involved in the Scheme do not have any other interest in the Scheme otherwise than that as shareholders in any of Companies involved in the Scheme. Further, none of the Directors or KMPs or their relatives of the respective Companies are concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the Directors and KMPs of the respective Companies have any material interest in the proposed Scheme. There is expected to be no adverse effect of the Scheme on the Directors and KMPs of the of the respective Companies involved in the Scheme:

**NMCE**

Sr. No.	Name of the Directors and KMPs of NMCE	Shares held in NMCE	Shares held in ICEX
<b>Directors</b>			
1.	Shri Alok Sinha, IAS (Retd.)- Public Interest Director- Chairman	Nil	Nil
2.	Ms. Mangala Prabhu, Public Interest Director	Nil	Nil

<b>Sr. No.</b>	<b>Name of the Directors and KMPs of NMCE</b>	<b>Shares held in NMCE</b>	<b>Shares held in ICEX</b>
3.	Shri Shrinivas Chandrashekhar Mudgerikar, Shareholder Director	Nil	Nil
4.	Shri Vishwa Ranjan Gupta, Shareholder Director	Nil	Nil
5.	Shri Anil Kumar Mishra, Managing Director	Nil	Nil
<b>KMPs</b>			
1.	Shri Narayana Rai, Chief Financial Officer	Nil	Nil
2.	Shri Jyot Devendra Bhatt, Assistant Company Secretary	Nil	Nil

#### **ICEX**

<b>Sr. No.</b>	<b>Name of the Directors and KMPs of ICEX</b>	<b>Shares held in NMCE</b>	<b>Shares held in ICEX</b>
<b>Directors</b>			
1.	Mr. Ashok Sinha – Chairman, Public Interested Director	Nil	Nil
2.	Mrs. D Vijayalakshmi – Public Interested Director	Nil	Nil
3.	Mr. Radhakrishna Nair – Public Interested Director	Nil	Nil
4.	Mr. Vinod Sharma – Public Interested Director	Nil	Nil
5.	Mr. Ajit Mittal – Shareholder Director	Nil	Nil
6.	Mr. Lav Chaturvedi – Shareholder Director	Nil	Nil
7.	Mr. Parvinder Singh Gahlaut – Shareholder Director	Nil	Nil
8.	Mr. Sanjit Prasad – Managing Director & CEO	Nil	Nil
<b>KMPs</b>			
1.	Mr. Ghanashyam Rao – Chief Financial Officer	Nil	Nil

**b) Promoter and Non- Promoter Equity Shareholders of NMCE and ICEX -**

Equity Shareholders of the Amalgamating Company shall be issued shares of the Amalgamated Company based on the Report on Share Exchange Ratio obtained from M/s N.M. Raiji & Co., Chartered Accountants, an independent valuer and consequent to amalgamation of NMCE into ICEX, entire equity paid- up share capital of NMCE shall be cancelled.

The pre Scheme shareholding pattern of NMCE and ICEX and post scheme (expected) shareholding pattern of ICEX as on December 31, 2017 is as follows:

**NMCE**

Sr. No.	Shareholders	Pre-Scheme shareholding of NMCE	
		Number of shares	%
1	Central Warehousing Corporation	56,78,347	29.7
2	Deputy Director (PMLA), Directorate of Enforcement, Ahmedabad	46,42,629	24.29
3	Bajaj Holdings & Investment Limited	24,50,000	12.82
	Reliance Capital Limited	16,66,667	8.72
5	Punjab National Bank	15,52,265	8.12
6	Neptune Overseas Limited [Refer notes below]	11,25,835	5.89
7	Gujarat Agro Industries Corporation Ltd.	10,45,100	5.47
8	National Agriculture Co-operative Marketing Federation of India Limited	7,50,000	3.92
9	Mr. Anil Singhanian	1,66,667	0.87
10	Mr. Kailash R Gupta [Refer notes below]	38,807	0.2
11	Mr. Shankerlal Guru	150	0
12	Gujarat State Agricultural Marketing Board	100	0
13	National Institute of Agriculture Marketing	100	0
	<b>Total</b>	<b>19,116,667</b>	<b>100</b>

**Notes:**

- i. As per the order of Forward Markets Commission (“FMC”) dated July 23, 2011, it was Ordered that no company controlled by Mr. Kailash Gupta either directly or indirectly, including the Neptune Overseas Limited (NOL) shall hold shares in any association/ exchange recognized by the Government or registered by the FMC in excess of 2% of the total issued capital of the Association/ exchange and NOL shall bring down its holding in the NMCE to 2% or less within a period of three months, which can be extended by a

maximum period of three months by the FMC at its discretion on the request of NOL supported by evidence of sufficient reasons for not being able to divest the excess shareholding within a period of three months.

However, as per guidelines dated May 6, 2014 issued by FMC, the voting rights of NOL on entire 57,68,464 equity shares stand extinguished and as per Regulation 19(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, no person shall, directly or indirectly acquire or hold equity shares of a recognized stock Exchanges or recognized Clearing Corporation unless he is a Fit and Proper Person.

- ii. The Final order of Forward Markets Commission (“FMC”) dated July 23, 2011 was challenged by NOL before Hon’ble High Court of Gujarat. The Hon’ble High Court quashed the order of FMC by way of order dated 09.02.2012 under LPA 1039 of 2011.

The above order of Hon’ble High Court of Gujarat was challenged in the Supreme Court of India. The Hon’ble Supreme Court of India was pleased to restore the said Order of FMC by way of Order dated 22.03.2012 under SLP (C) No. 10225 & 6246 of 2012 with remarks that any proceedings, decision or action taken in pursuance of that order shall abide by the final result of special leave petitions.

Out of 57,68,464 equity shares held by NOL, 46,42,629 Equity Shares are attached by Directorate of Enforcement, Department of Revenue, Ministry of Finance, Government of India (“ED”) and all these Equity Shares have been transferred in the name of Deputy Director (PMLA), Directorate of Enforcement (ED), Ahmedabad in terms of Section 8(4) of PMLA read rule 4(4) made under Section 73 of PMLA, 2002. However, the attachment orders have been challenged by Neptune Overseas Limited before the Hon’ble Appellate Tribunal of PMLA, which is pending for hearing.

- iii. For the remaining 11,25,835 Equity Shares held by NOL, in view of the directions issued on May 6, 2014 by the erstwhile Forward Markets Commission (Now SEBI), the voting rights on 11,25,835 shares held by NOL stand extinguished.

Shri Kailash Gupta on behalf of Neptune Overseas Limited has filed objection to the Company Application filed by NMCE before Hon’ble NCLT, Ahmedabad Bench. Various proceedings before Hon’ble Gujarat High Court and Hon’ble Supreme Court, were placed on record before Hon’ble NCLT to submit that the application filed by the Amalgamating Company should not be allowed by the Tribunal. By an order dated January 31, 2018, the Hon’ble NCLT has passed a detailed order disposing off the objections of the Neptune Overseas Limited giving liberty to Neptune Overseas Limited to raise all the objections in respect of Scheme of Merger of NMCE with ICEX in the petition seeking sanction of the Scheme. However it is observed that the approval of the Scheme, even if made by the Shareholders and Creditors of NMCE, it is subject to the Objections of Neptune Overseas Limited and the

decision of the Honorable Supreme Court of India in SLP Nos. 10225-10227 of 2012 and allied matters.

Brief details of the litigation with respect to shares held by Neptune Overseas Limited ('NOL') at various forums are as follows:

- (i) Special Leave Petitions ("SLPs") filed by NMCE and Forward Markets Commission (now SEBI), challenging order of Hon'ble High Court of Gujarat which set aside the Final Order of FMC dated 23.07.2011 are pending before Hon'ble Supreme Court of India;
- (ii) Appeal filed by NOL and Shri Kailash Gupta against the provisional attachment of 46,42,629 Equity Shares by ED is pending before the Appellate Authority under the relevant provisions of Prevention of Money Laundering Act, 2002 ("PMLA");
- (iii) Application filed by NMCE relating to cancellation of 29,32,680 Equity Shares allotted by NMCE to NOL is pending before the Tribunal.

Subsequently, the Tribunal, vide its order dated February 21, 2018 directed to convene the meetings of Equity Shareholders of NMCE and ICEX and meeting of unsecured creditors of NMCE.

The allotment of shares to NOL and Mr. Kailash Gupta by ICEX pursuant to the Scheme shall be dealt with in accordance with clauses 2.2.8 and 2.2.9 of the Scheme. The effect of the Scheme of Amalgamation on the Promoter members and Non – Promoter members NMCE shall be to the extent of their shareholding in the Company and as mentioned above. There is expected to be no adverse effect of the Scheme of Amalgamation on the Promoter members and Non – Promoter members of ICEX.

Post Scheme shareholding pattern of NMCE: Not Applicable as NMCE would be merged with ICEX pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of NMCE shall stand cancelled in pursuance of the Scheme.

## **ICEX**

Sr. No.	Description	Pre-Scheme shareholding of ICEX		Post-Scheme shareholding of ICEX (Expected)	
		Number of shares	%	Number of shares	%
1	Reliance Exchange next Limited	87,100,000	26	87,100,000	16.33
2	Indiabulls Housing Finance Limited	35,000,000	10.45	35,000,000	6.56
3	MMTC Limited	32,000,000	9.55	32,000,000	6.00

4	Abhinay Trading Private Limited	28,000,000	8.36	28,000,000	5.25
5	Indian Potash Limited	26,800,000	8	26,800,000	5.02
6	Mr. Akhil Kumar Gupta	16,750,000	5	16,750,000	3.14
7	Mr. Vijay Sharma	16,750,000	5	16,750,000	3.14
8	Asian Star Company Limited	16,750,000	5	16,750,000	3.14
9	Adventz Finance Private Limited	15,000,000	4.48	15,000,000	2.81
10	KrishakBharti Cooperative Ltd.	13,400,000	4	13,400,000	2.51
11	IDFC Bank Limited	10,000,000	2.99	10,000,000	1.87
12	Mr. Uday Suresh Shah	6,000,000	1.79	6,000,000	1.12
13	Vinod Chopra Films Private Limited	5,775,000	1.72	5,775,000	1.08
14	OHM Equity Solution India Private Limited	5,750,000	1.72	5,750,000	1.08
15	NJ India Invest Private Limited	5,000,000	1.49	5,000,000	0.94
16	Mr. Vinod Dinanath Chopra	5,000,000	1.49	5,000,000	0.94
17	Mr. RajanJetley	2,500,000	0.75	2,500,000	0.47
18	Indo Pacific Investment Private Limited	2,500,000	0.75	2,500,000	0.47
19	Mr. Aamir Khan	2,000,000	0.6	2,000,000	0.37
20	Mrs. PritiRomy Mehta	1,675,000	0.5	1,675,000	0.31
21	Mr. Ranbir Rishi Kapoor	1,000,000	0.3	1,000,000	0.19
22	Mrs. Sneha Bimal Parekh	250,000	0.07	250,000	0.05
23	Deputy Director (PMLA), Directorate of Enforcement, Ahmedabad	-	-	48,209,060	9.04
24	Neptune Overseas Limited	-	-	11,690,671	2.19
25	Central Warehousing Corporation	-	-	58,963,956	11.05
26	Bajaj Holdings and Investment Limited	-	-	25,440,800	4.77
27	Reliance Capital Limited	-	-	17,306,671	3.24
28	Punjab National Bank	-	-	16,118,720	3.02
29	Gujarat Agro Industries Corporation Ltd.	-	-	10,852,319	2.03

30	National Agriculture Co-operative Marketing Federation of India Limited	-	-	7,788,000	1.46
31	Mr. Anil Singhanian	-	-	1,730,671	0.32
32	Mr. Kailash. R. Gupta	-	-	402,972	0.08
33	Mr. Shankarlal Guru	-	-	1,558	0
34	National Institute of Agriculture Marketing	-	-	1,039	0
35	Gujarat State Agricultural Marketing Board	-	-	1,039	0
	<b>Total</b>	<b>335,000,000</b>	<b>100</b>	<b>533,507,476</b>	<b>100</b>

- c) **Creditors** –There are no secured creditors in respective Companies. The rights and interest of the unsecured creditors of respective Companies involved in the Scheme will not be prejudicially affected by the Scheme as post Scheme, the Amalgamated Company shall meet their respective liabilities as they arise in the ordinary course of business. Further the rights and interests of the creditors will not be prejudicially affected by the Scheme as there is no Compromise and / or Arrangement with the creditors since no sacrifice or waiver is, at all, called from them nor are their terms or rights sought to be modified in any manner
- d) **Employees** – On the Scheme becoming operative, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.
- e) **Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee** – Neither the Amalgamating Company nor the Amalgamated Company have any depositors, debenture holders, deposit trustee or debenture trustee. Hence, no rights and interests will be affected on effectiveness of Scheme of Amalgamation.
- f) Further, the Board Reports of the respective Companies, explaining effect of the Scheme of Amalgamation on each class of shareholders, KMPs, Promoters and non – promoter shareholders and laying out in particular the share exchange ratio, forms part of this notice and are annexed herewith.

14. **Capital Structure Pre and Post Scheme**

Pre Scheme Capital Structure of NMCE is as under:

	Pre-Scheme as on December 31, 2017	
	No. of Shares	Rs. in crore
<b>Authorised Share Capital:</b>		
Equity Shares of Rs. 10 each	5,00,00,000	50
Preference Shares of Rs. 10 each	50,00,000	5
<b>Total</b>	<b>5,50,00,000</b>	<b>55</b>
<b>Issued, Subscribed and Paid-Up Share Capital:</b>		
Equity Shares of Rs. 10 each fully paid-up	1,91,16,667	19.11
<b>Total</b>	<b>1,91,16,667</b>	<b>19.11</b>

Post Scheme Share Capital of NMCE: Not Applicable as NMCE would be merged with ICEX pursuant to the Scheme and entire Pre-Scheme Paid-up Equity Share Capital of NMCE shall stand cancelled in pursuance of the Scheme.

Pre and Post Scheme Capital Structure of ICEX will be as under:

	Pre-Scheme as on December 31, 2017		Post- Scheme (Expected)	
	No. of Shares	Rs. in crore	No. of Shares	Rs. in crore
<b>Authorised Share Capital:</b>				
Equity Shares of Rs. 5each	35,00,00,000	175	53,60,00,000	268
<b>Total</b>	<b>35,00,00,000</b>	<b>175</b>	<b>53,60,00,000</b>	<b>268</b>
<b>Issued, Subscribed and Paid-Up Share Capital:</b>				
Equity Shares of Rs. 5each fully paid-up	33,50,00,000	167.50	533,507,476	267
<b>Total</b>	<b>33,50,00,000</b>	<b>167.50</b>	<b>533,507,476</b>	<b>267</b>

15. The copy of draft Scheme will be filed with the Registrar of Companies.



16. No investigation or proceedings against the Amalgamated Company under sections 210 to 226 of the Companies Act, 2013 as well as Sections 235-251 of the Companies Act, 1956 are pending.
17. No winding up petition has been admitted against the Amalgamated Company.
18. On the Scheme being approved by the requisite majority of the shareholders of both the Companies involved in the Scheme as per the requirement of Section 230 of the Companies Act, 2013, both the Companies will file a petition with the Tribunal at Ahmedabad for sanction of the Scheme.
19. The following documents will be open for inspection by the equity shareholders of the Amalgamated Company up to the date of the meeting at its registered office between 11:00 A.M. IST and 2:00 P.M. IST on all working days, except Saturdays, Sundays and Public Holidays:
  - (a) Copy of the Order dated January 31, 2018 of the Tribunal at Ahmedabad passed in Company Application (CAA) No. 105 of 2017;
  - (b) Copy of the Order dated February 21, 2018 of the Tribunal at Ahmedabad passed in Company Application (CAA) No. 105 of 2017 directing the convening of the meeting of the Equity Shareholders of the Amalgamated Company;
  - (c) Copy of the Company Application (CAA) No. 105 of 2017;
  - (d) Scheme of Amalgamation;
  - (e) Memorandum and Articles of Association of ICEX and NMCE;
  - (f) Annual Audited Financial Statements of ICEX and NMCE for the financial year ending March 31, 2017 along with the Supplementary Accounting Statement of ICEX and NMCE as on December 31, 2017.
  - (g) Copy of the report on the Share Exchange Ratio dated June 30, 2017 issued by M/s N.M. Raiji & Co., Chartered Accountants, an independent valuer and Fairness Opinion issued by Vivro Financial Services Private Ltd. on June 30, 2017 thereon;
  - (h) Certificate issued by the Statutory Auditors of ICEX in relation to the accounting treatment prescribed in the Scheme is in compliance with the Accounting Standards;
  - (i) Register of Director's Shareholdings of ICEX.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013.

A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Amalgamated Company or / and at the office of Advocate **Ms. Dharmishta N. Raval** situated at 21/23, Laxmi Chambers, Navjivan Press Road, Near Old High Court Railway Crossing, Ahmedabad – 380 014

Sd/-

**Manish Jain**

Chairperson appointed for the meeting

**Place** : Mumbai

**Date** : February 27, 2018

**Registered Office:**

Indian Commodity Exchange Limited

1<sup>st</sup> Floor, Office - 109,

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

Hat Faliyu, Mahidharpura,

Surat – 395003

CIN - U67120GJ2008PLC099142

**SCHEME OF AMALGAMATION  
OF  
NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED  
WITH  
INDIAN COMMODITY EXCHANGE LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS  
(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013)**

PREAMBLE

**(A) Purpose of the Scheme**

This Scheme of Amalgamation is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 for the amalgamation of National Multi-Commodity Exchange of India Limited ('**NMCE**' or '**Transferor Company**') with Indian Commodity Exchange Limited ('**ICEX**' or '**Transferee Company**') and such other approvals/ permissions, as may be required under the applicable laws, regulations, and guidelines issued by the regulatory authorities.

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income-Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income-Tax Act, 1961.

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**(B) Rationale for the Scheme**

The Transferee Company and the Transferor Company are deemed Recognised Stock Exchanges under the Securities Contracts (Regulation) Act, 1956 providing online screen based derivative exchanges for permitted commodities and are registered with Securities Exchange Board of India (hereinafter "**SEBI**"). The amalgamation of the Transferee Company and the

Transferor Company would consolidate the business operations of the Transferee Company and the Transferor Company and have the following benefits:

1. Greater integration of operations, greater financial strength and flexibility resulting in operational synergy of the combined entity;
2. Greater efficiency in management of resources of the Transferor Company and access to resources of the Transferor Company may be deployed more efficiently in the combined entity;
3. Providing a common platform for the trading of several permitted commodities, being traded by the Transferor Company and proposed to be traded by the Transferee Company; and
4. Reducing administrative, operative and marketing costs.

The amalgamation of the Transferor Company with the Transferee Company would thus help in attaining operational efficiencies, cost competitiveness, creating synergies for businesses; and would assist in capitalizing on the growth opportunities to the fullest extent as the Transferor Company and Transferee Company are engaged in similar line of business, being online screen based derivative exchanges for permitted commodities.

**(C) Parts of the Scheme**

The Scheme is divided into the following parts:

- (a) **PART 1** deals with the Definitions and Share Capital;
- (b) **PART 2** deals with amalgamation of the Transferor Company with the Transferee Company;
- (c) **PART 3** deals with Other Terms and Conditions.

**PART 1  
DEFINITIONS AND SHARE CAPITAL**

**1.1. DEFINITIONS**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1.1. **“Act” or “the Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force;
- 1.1.2. **“Appointed Date”** means the April 1, 2017 or such other date as may be fixed or approved by the NCLT;
- 1.1.3. **“Board” or “Board of Directors”** means the Board of Directors of the Transferor Company or the Transferee Company or both as the context may require and includes a committee or sub-committee duly constituted and authorised thereby for the purpose of matters pertaining to the Scheme and / or any other consequential or incidental matter in relation thereto;
- 1.1.4. **“Effective Date”** means the last of the date on which the certified copies of the Order of the Tribunal sanctioning the Scheme of Amalgamation is filed with the jurisdictional Registrar of Companies, having jurisdiction over the Transferor

Company and the Transferee Company, pursuant to the provisions of Sections 230 and 232 of the Act by the Transferor Company and the Transferee Company;

Any references in this Scheme to “upon this Scheme becoming effective” or “upon coming into effect of this Scheme” or “upon the Scheme coming into effect” shall be construed to be a reference to the Effective Date.

- 1.1.5. **“ICEX” or “the Transferee Company”** means Indian Commodity Exchange Limited, a company incorporated under the Companies Act, 1956, with corporate identity number U67120DL2008PLC182140 and having its registered office at Dev House, 260-261 Tribhuwan Complex, Ishwar Nagar, New Friends Colony (W), New Delhi 110065, which office has been approved by the Board of Directors and the shareholders of the Transferee Company to be shifted from New Delhi to the State of Gujarat, subject to the approval of the applicable authorities;
- 1.1.6. **“Income Tax Litigation”** means the legal proceedings listed in **Annexure 1 Part A** hereto;
- 1.1.7. **“Indemnity Costs”** shall mean costs and expenses arising out of or related to any Losses, being expenses of enforcement of any Loss and reasonable attorneys’ fees and expenses, directly suffered or incurred or borne by the the Transferor Company or the Transferee Company, as the case may be, such that neither the Transferor Company or the Transferee Company has to go out of pocket in this regard;
- 1.1.8. **“Losses”** means any and all direct losses, liabilities, damages, expenses, penalties and fines, but excluding indirect losses, loss of profits, consequential indirect losses, punitive damages or reliefs, special losses, or conditional losses;
- 1.1.9. **“MMTC Litigation”** means the legal proceedings listed in **Annexure 1 Part B** hereto;
- 1.1.10. **“NMCE” or “the Transferor Company”** means National Multi-Commodity Exchange of India Limited, a company incorporated under the Companies Act, 1956, with corporate identity number U75131GJ2001PLC040281 and having its registered office at Office No.4; 4th Floor; H. K. House, Behind Jivabhai Chambers, Ashram Road Ahmedabad – 380009;
- 1.1.11. **“NOL Litigation”** means the legal proceedings listed in **Annexure 1 Part C** hereto
- 1.1.12. **“Pre-merger Transferee Company Shareholders”** shall have the meaning assigned to in Clause 3.2.2 herein below;
- 1.1.13. **“Pre-merger Transferor Company Shareholders”** shall have the meaning assigned to in Clause 3.2.1 herein below;

1.1.14. **“Record Date”** means the Effective Date or such other date as mutually agreed prior to the Effective Date between the Transferor Company and the Transferee Company;

1.1.15. **“SEBI”** means the Securities Exchange Board of India;

1.1.16. **“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form or with modification(s) made under this scheme or any modifications approved or directed by the Tribunal or any government authority;

1.1.17. **“Tribunal” or “NCLT”** means the National Company Law Tribunal (“NCLT”) and the National Company Law Appellate Tribunal (“NCLAT”) as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Act having jurisdiction over the Transferor Company and the Transferee Company, from time to time.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, or any statutory modification or re-enactment thereof from time to time.

## 1.2. SHARE CAPITAL

1.2.1. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2017 is as under:

<b>Authorised Capital</b>	<b>Amount in INR</b>
5,00,00,000 Equity Shares of Rs 10/-each	50,00,00,000
50,00,000 Preference Shares of Rs 10/- each	5,00,00,000
<b>Total</b>	<b>55,00,00,000</b>
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
1,91,16,667 Equity Shares of Rs 10/- each fully paid up	19,11,66,670
<b>Total</b>	<b>19,11,66,670</b>

Subsequent to March 31, 2017, up to the date of the Scheme being approved by the Board of the Transferor Company, there is no change in authorised, issued, subscribed and paid-up equity share capital of the Transferor Company.

1.2.2. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2017 is as under:

<b>Authorised Capital</b>	<b>Amount in INR</b>
35,00,00,000 Equity Shares of Rs 5/-each	175,00,00,000
<b>Total</b>	<b>175,00,00,000</b>
<b>Issued, Subscribed &amp; Paid Up Capital</b>	
33,50,00,000 Equity Shares of Rs 5/- each fully paid up	167,50,00,000
<b>Total</b>	<b>167,50,00,000</b>

Subsequent to March 31, 2017, up to the date of the Scheme being approved by the Board of the Transferee Company, there is no change in authorised, issued, subscribed and paid-up equity share capital of the Transferee Company.

### **1.3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme, set out herein in its present form or with any modifications(s) approved or imposed or directed by the Tribunal under this Scheme shall be deemed to be effective from the Appointed Date mentioned herein but shall be operative from the Effective Date.

## **PART 2 AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY**

### **2.1 TRANSFER AND VESTING**

- 2.1.1 With effect from the opening of the business as on the Appointed Date, the entire business and whole of the undertaking of the Transferor Company including all its properties and assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent, including but not limited to registrations and memberships, prescribed in this scheme), including, without being limited to, land, plant and machinery, computers, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, office equipment, trading platforms, appliances, vehicles, accessories, power lines, water lines, depots, deposits (including but not limited to deposits from members, investors' service fund, amounts lying to the credit of settlement guarantee fund, investor protection fund), contribution from members, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, amounts received or held by the Transferor Company in trust, advances or deposits paid by the Transferor Company, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the office and/or residential properties for the employees or other persons, guest houses, fixed and other assets, intangible assets (including but not limited to software), domain names, confidential information, trade and service names and marks, patents, copyrights, softwares, programs, algorithms, codes, right to acquire such softwares, programs, codes, algorithm, contracts relating to such softwares, programs, codes, algorithm, know- how, trade secrets and other

intellectual and industrial property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including income tax, sales tax deferrals, title, interests, other benefits (including tax benefits), tax holiday benefit, incentives, credits (including tax credits), Minimum Alternate Tax Credit entitlement (“**MAT Credit**”), tax losses, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad, including:

- 2.1.1.1 all agreements, rights, contracts, entitlements, licenses, authorization, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company’s business activities and operations including but not limited to contracts with software developer companies;
- 2.1.1.2 all intellectual and industrial property rights, records, files, books, papers, process information, computer programmes, manuals, data, catalogues, sales and advertising material, quotations, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents relating to the Transferor Company’s business activities and operations whether in physical or electronic mode;
- 2.1.1.3 amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any governmental authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;
- 2.1.1.4 right to any claim, whether preferred or made by the Transferor Company or not, in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or Scheme made by the government authority, and in respect of set-off, carry forward of un-absorbed losses, availability of MAT Credit, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, deferment of sales tax, etc. under the Income-tax Act, 1961, and the cenvat / modvat



credit balances under the Central Excise Act, 1944 , custom duty, applicable VAT or any other or like benefits under the said acts or under and in accordance with any law or act;

- 2.1.1.5 all debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Company and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised;
- 2.1.1.6 all other obligations of whatsoever kind, including liabilities in respect of the employees of the Transferor Company with regard to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of voluntary retirement or retrenchment;
- 2.1.1.7 all staff, workmen, employees or other labour of the Transferor Company;
- 2.1.1.8 all the immovable properties of the Transferor Company, whether freehold or leasehold and any documents of title and rights thereto shall stand transferred and vested in Transferee Company and shall become the property and integral part of the Transferee Company, without any further act, instrument or deed required by either of the Transferee Company or Transferor Company and without any approval or acknowledgement of any third party;

shall be transferred to in the manner provided hereinafter and vested in and assumed by and/or deemed to be transferred to, vested in and assumed by the Transferee Company as going concern pursuant to the provisions of Sections 230 to 232 of the Act and in accordance with section 2(1B) of the Income-Tax Act, 1961.

- 2.1.2 All the moveable assets of the Transferor Company or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.
- 2.1.3 Upon this Scheme coming into effect, all the trading members, clearing members and trading cum clearing members of the Transferor Company shall automatically become the trading members, clearing members and trading cum clearing members of the Transferee Company with all the rights and obligations attached to their membership in the Transferor Company without any further action on the part of the trading members, clearing members and trading cum clearing members or the Transferor Company or the Transferee Company.

2.1.4 Upon this Scheme coming into effect, all liabilities of the Transferor Company, of whatsoever nature, shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.

## **2.2 ISSUE AND ALLOTMENT OF SHARES**

2.2.1 Upon the Scheme becoming effective and in consideration of transfer and vesting of the entire undertaking of the Transferor Company into the Transferee Company, the Transferee Company shall on the Record Date (immediately post effectiveness of the Scheme), without any further application or deed, issue and allot, at par, to all the equity shareholders of the Transferor Company whose names appears in the Register of Members of the Transferor Company as on the Record Date or to their successors-in-title, fully paid up Equity Shares, in the following manner, subject to Clause 2.2.7 below:

*“10,384 fully paid up equity shares of INR 5 each of the Transferee Company shall be issued and allotted for every 1,000 equity shares of INR 10 each held in the Transferor Company.”*

The shareholders of the Transferor Company holding less than 1,000 equity shares of the Transferor Company will be issued proportionate equity shares of the Transferee Company based on the above share exchange ratio.

2.2.2 Any fraction arising on issue of shares as above will be rounded off to the next integer.

2.2.3 The equity shares of the Transferee Company shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to account with depository participant are available with the Transferee Company on or prior to the Effective Date. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued equity shares by the Transferee Company in physical form if permitted under applicable law and if not permitted under applicable law, such shares will be issued in dematerialized form and transferred to an escrow account to be opened and maintained by the Transferee Company, unless otherwise directed by the NCLT and subject to Clause 2.2.8. The Transferee Company shall maintain the said escrow account until such time all the said Transferor Company shareholders submit the details of their respective demat accounts in writing to the Transferee Company but subject to Clause 2.2.8.

- 2.2.4 The shares of the Transferee Company to be issued and allotted as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu in all respects with the equity shares of the Transferee Company.
- 2.2.5 The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of all applicable provisions of the Act for the issue and allotment of shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme.
- 2.2.6 It is clarified that no special resolution under Section 62 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Transferor Company under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of Equity Shares to the members of the Transferor Company.
- 2.2.7 The equity shares issued and/ or allotted pursuant to Clause 2.2.1, in respect of the equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute due to which they are held in abeyance by order of court or otherwise, be held in abeyance by the Transferee Company.
- 2.2.8 Unless otherwise directed by the Tribunal, (a) 29,32,280 shares of the Transferor Company in the name of Neptune Overseas Limited, which are subject matter of the NOL Litigation shall be replaced with new shares of the Transferee Company in terms hereof, on the Scheme becoming effective; (b) the attachment on the shares of the Transferor Company held by Neptune Overseas Limited and Mr. Kailash Gupta as per the orders of the Joint Director, Directorate of Enforcement, Ahmedabad in the NOL Litigation shall continue without any variation in respect of the new shares of the Transferee Company if to be issued pursuant to this Scheme to Neptune Overseas Limited and Mr. Kailash Gupta. In the event the shares of the Transferor Company issued and allotted to Neptune Overseas Limited are ordered to be cancelled, the shares issued and allotted by the Transferee Company, if issued and allotted in exchange of the said cancelled shares of the Transferor Company pursuant to the provisions of paragraphs 2.2.1 to 2.2.8 above shall also stand cancelled without any further act of parties. Upon occurrence of such event, the Transferee Company shall without any requirement to pass any special resolution under Section 62 of the Act, but subject to applicable law and directions of the NCLT, issue and allot to the shareholders of the Transferor Company (except such shareholders whose shares have been cancelled), the same number of fully paid up equity shares of the Transferee Company which have been cancelled as above, in consideration of the transfer of undertaking of the Transferor Company pursuant to this Scheme. The Transferor Company shall issue and allot the said additional fully paid up equity shares to the eligible shareholders of the Transferor Company on a pro-rata basis.

2.2.9 If under the applicable law, regulations or guidelines issued by applicable government authority or regulatory authority, the shareholders of the Transferor Company (except those whose shares have been cancelled) are not able to receive and hold such additional shares to be allotted pursuant to the provisions of paragraph 2.2.8, the Transferee Company shall if permitted under the applicable law, either (i) issue and allot the said additional shares to any investors eligible to hold such shares under applicable law as identified by the shareholders of the Transferor Company (except those whose shares have been cancelled), at fair market value to be determined by an independent valuer and distribute the issue proceeds (net of the issue cost and expenses) to the shareholders of the Transferor Company (except those whose shares have been cancelled) on a pro-rata basis; or (ii) transfer the said additional equity shares to investors eligible to hold such shares under applicable law identified by the shareholders of the Transferor Company (except those whose shares have been cancelled), for and on behalf of the shareholders of the Transferor Company (except those whose shares have been cancelled) who would have been entitled to receive the said additional shares; or (iii) disburse the value of the shares so cancelled to the shareholders of the Transferor Company (except those whose shares have been cancelled) on a pro-rata basis.

### **2.3 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY**

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books of accounts as under:

- 2.3.1 All assets and liabilities of the Transferor Company shall be recorded in the books of the Transferee Company at their respective book values;
- 2.3.2 Shares allotted pursuant to Clause 2.2.1 above shall be recorded as Share Capital;
- 2.3.3 Intercompany balances and transactions, if any, shall be cancelled;
- 2.3.4 The excess arising on transfer of assets and liabilities as per Clause 2.3.1 and after giving effect to Clause 2.3.2 and Clause 2.3.3 above would be considered to form part of the 'Capital Reserve' of the Transferee Company. In case of there being a deficit, the same shall be debited by the Transferee Company to its Goodwill Account.
- 2.3.5 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company and for the purpose of changes in accounting policies in the books of the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in its Capital Reserve / Goodwill as the case may be.
- 2.3.6 The Transferee Company shall follow the directions, if any, received from the SEBI regarding the accounting treatment of Settlement Guarantee Fund and Investors Protection Fund of the Transferor Company in the books of accounts of the Transferee Company.

## **2.4 CONDUCT OF BUSINESS OF TRANSFEROR COMPANY TILL EFFECTIVE DATE**

- 2.4.1 During the period between the Appointed Date and the Effective Date,
- (a) The Transferor Company shall carry on and deemed to have carried on its business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
  - (b) All the income or profits accruing or arising to the Transferor Company and all costs, charges, expenses or losses incurred by the Transferor Company shall for all purposes be treated the income, profits, costs, charges, expenses and losses, as the case may be, of the Transferee Company.
  - (c) The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Company and the Transferee Company.
- 2.4.2 The Transferor Company shall not utilise the profits or income for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Transferee Company.
- 2.4.3 The Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

## **2.5 PENDING SUITS, ETC.**

- 2.5.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company, is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- 2.5.2 Subject to Clause 3.2.1, in case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto, and any payment and expenses made thereto shall be the liability of the Transferee Company.

## **2.6 CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 2.6.1 Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, the Transferor Company is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

## **2.7 SAVING OF CONCLUDED TRANSACTIONS**

- 2.7.1 The transfer of properties and liabilities under Clause 2.1 above and the continuance of proceedings by or against the Transferee Company under Clause 2.5 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

## **2.8 STAFF, WORKMEN & EMPLOYEES**

- 2.8.1 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Company on the Effective Date.
- 2.8.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become the trusts/ funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

## **2.9 DISSOLUTION OF THE TRANSFEROR COMPANY**

- 2.9.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

**PART 3**  
**OTHER TERMS AND CONDITIONS**

**3.1 APPLICATION TO TRIBUNAL**

- 3.1.1 The Transferor Company and the Transferee Company shall as may be required make applications and/or petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Tribunal for sanction of this Scheme and all matters ancillary or incidental thereto.

**3.2 INDEMNITY**

- 3.2.1 All liabilities, whether monetary or otherwise, that may arise as a result of or in connection with the NOL Litigation shall be the sole obligation of the shareholders of the Transferor Company as on the Appointed Date (hereinafter referred to as “**Pre-merger Transferor Company Shareholders**”). The Pre-merger Transferor Company Shareholders shall notwithstanding any disclosures made to the Transferee Company, indemnify, defend and hold harmless the Transferee Company and the Pre-merger Transferee Company Shareholders (as defined below) from and against any and all Losses and Indemnity Costs suffered or incurred by the Transferee Company or the Pre-merger Transferee Company Shareholders after the Effective Date, to the extent arising out of and solely attributable to the NOL Litigation. Upon the Scheme becoming effective, the Transferee Company shall bear all expenses (including legal fees) for defending the NOL Litigation on behalf of itself, the Pre-merger Transferor Company Shareholders and the Pre-merger Transferee Company Shareholders, as the case may be. All expenses borne by the Transferee Company in respect of the NOL Litigation shall be accounted for and be apportioned at the time of disbursements to the Pre-merger Transferor Company Shareholders in accordance with applicable law. It is hereby clarified for the avoidance of doubt, that all benefits, whether monetary or otherwise, that may arise as a result of or in connection with the NOL Litigation, shall, net of all costs and expenses borne by the Transferee Company, be to the account of the Pre-merger Transferor Company Shareholders.
- 3.2.2 All liabilities, whether monetary or otherwise, that may arise as a result of or in connection with the MMTC Litigation shall be the sole obligation of the shareholders of the Transferee Company as on the Appointed Date (hereinafter referred to as “**Pre-merger Transferee Company Shareholders**”). The Pre-merger Transferee Company Shareholders shall, notwithstanding any disclosures made to the Transferor Company, indemnify, defend and hold harmless the Transferee Company and the Pre-merger Transferor Company Shareholders from and against any and all Losses and Indemnity Costs suffered or incurred by the Transferee Company or the Pre-merger Transferor Company Shareholders after the Effective Date, to the extent arising out of and solely attributable to the MMTC Litigation. Upon the Scheme becoming effective, the Transferee Company shall bear all expenses (including legal fees) for defending the MMTC Litigation on behalf of itself, the Pre-merger Transferor Company Shareholders and the Pre-merger Transferee Company Shareholders, as the case may be. All expenses borne by the Transferee Company in respect of the MMTC Litigation shall be accounted for and be apportioned at the time of disbursements to the Pre-merger Transferee Company Shareholders in accordance with applicable law.

It is hereby clarified for the avoidance of doubt, that all benefits, whether monetary or otherwise, that may arise as a result of or in connection with the MMTC Litigation, shall, net of all costs and expenses borne by the Transferee Company, be to the account of the Pre-merger Transferee Company Shareholders.

- 3.2.3 The Pre-merger Transferee Company Shareholders shall indemnify, defend and hold harmless the Transferee Company and the Pre-merger Transferor Company Shareholders from and against any penalty levied by the concerned Government Authority pursuant to the Income Tax Litigation after adjusting for any benefit that the Transferee Company derives or may subsequently derive by way of set off from the carried forward accumulated losses of the Transferee Company that are assessable to tax under applicable law. Upon the Scheme becoming effective, it is hereby expressly agreed to between the Transferor Company and the Transferee Company that (a) the Transferee Company shall bear all expenses (including legal fees) for defending the Income Tax Litigation; and (b) any penalty levied by the concerned governmental authority pursuant to the Income Tax Litigation shall be the sole obligation of and payable by the Pre-merger Transferee Company Shareholders, after adjusting for any benefit that the Transferee Company derives or may subsequently derive by way of set off from the carried forward accumulated losses of the Transferee Company as of the Appointed Date that are assessable to tax under applicable law. It is hereby further agreed between the Transferor Company and the Transferee Company that all benefits, whether monetary or otherwise, that may be received after the Effective Date, as a result of or in connection with the Income Tax Litigation shall be to the account of the Transferee Company.

### **3.3 AUTHORISED CAPITAL OF THE TRANSFEREE COMPANY**

- 3.3.1 Upon sanction of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the jurisdictional Registrar of Companies by the authorised share capital of the Transferor Company amounting to Rs. 55,00,00,000 (Rupees Fifty Five Crores only) comprising of 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- each and 50,00,000 (Fifty Lacs) preference shares of Rs. 10/- each; and the Memorandum of Association (relating to the authorized share capital) of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under any provisions of the Act would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.
- 3.3.2 Upon combination of the authorised share capital as mentioned in Clause 3.3.1 above, the authorised share capital of the Transferee Company will automatically stand further increased by Rs 38,00,00,000 (Rupees Thirty Eight Crores) comprising of 7,60,00,000 (Seven Crore Sixty Lacs) Equity Shares of Rs. 5/- each by simply filing



the requisite forms with the jurisdictional Registrar of Companies and no separate procedure or instrument or deed shall be required to be followed under the Act.

- 3.3.3 Consequent upon the combination of authorized share capital and further increase in authorized share capital of the Transferee Company as mentioned in Clauses 3.3.1 and 3.3.2 above, the authorised share capital of the Transferee Company will be as under:

<b>Authorised Capital</b>	<b>Amount in INR</b>
53,60,00,000 Equity Shares of Rs.5 each	268,00,00,000
<b>Total</b>	<b>268,00,00,000</b>

- 3.3.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to include their consent / approval also to the alteration of the Memorandum of Association of the Transferee Company as may be required under the Act insofar as it pertains to increase of authorized share capital of the Transferee Company. Clause ‘V’ of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

Clause ‘V’ of the Memorandum of Association:

The Authorised Share Capital of the Company is Rs. 268,00,00,000 (Rupees Two Hundred and Sixty Eight Crores) divided into 53,60,00,000 (Fifty Three Crores Sixty Lacs) Equity shares of Rs. 5 /- each.

### **3.4 MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 3.4.1 The Transferor Company and the Transferee Company by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Tribunal and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) subject to the approval of the Tribunal or any other authorities under applicable law. The Transferor Company and the Transferee Company by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

### **3.5 CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 3.5.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal or any other competent authority, as may be applicable.
- 3.5.2 The Scheme being sanctioned by the Tribunal or any other authority under the Sections 230 to 232 of the Act.
- 3.5.3 The Transferor Company and the Transferee Company having appropriately dealt with the observations, if any, received from the SEBI on the Scheme;
- 3.5.4 Certified copies of the Orders of the Tribunal sanctioning the Scheme being filed with the concerned Registrar of Companies by the Transferor Company and the Transferee Company; and
- 3.5.5 All regulatory and other approvals, consent and sanctions as may be required by law being obtained in respect of this Scheme.

### **3.6 EFFECT OF NON-RECEIPT OF APPROVALS**

- 3.6.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the Tribunal or such other competent authority and / or the Order not being passed as aforesaid before June 30, 2018 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

### **3.7 COSTS, CHARGES & EXPENSES**

- 3.7.1 The Transferor Company and the Transferee Company shall bear and pay their respective costs and expenses including but not limited to stamp duties, court fees/duties and notarisational costs in relation to the Scheme and obtaining and filing of the order of the NCLT sanctioning the Scheme. The Transferee Company shall bear and pay all costs and expenses including but not limited to stamp duties in relation to the issuance of the shares to be issued to the Transferor Company shareholders as of the Record Date as per the terms of this Scheme.

## ANNEXURE 1

### A. Income Tax Litigation

The appeals filed by the Transferee Company before the Commissioner of Income tax, (Appeals), challenging the disallowance amounting to approximately Rs. 36.49 crore for the assessment years 2011-12 to 2013-14 and also challenging levy of any interest and penalty on such disallowance.

### B. MMTC Litigation

Company Petition No. 123(ND)/2011 before the Principal Bench of NCLT, New Delhi where the petitioner is MMTC Limited and the respondents are ICEX, Reliance Exchange Next Limited and India Bulls Financial Services Limited.

### C. NOL Litigation

1. Original Complaint No. 225/2013 before the Adjudicating Authority under the Prevention of Money Laundering Act, 2002 where the complainant is Joint Director, Directorate of Enforcement, Ahmedabad and the defendants are Neptune Overseas Limited and Mr. Kailash Gupta in relation to attachment by the complainant of 33,45,729 shares of NMCE held by Neptune Overseas Limited;
2. Original Complaint No. 255/2014 before the Adjudicating Authority Under Prevention of Money Laundering Act, 2002 where the complainant is Deputy Director, Directorate of Enforcement, Ahmedabad and the defendants are Neptune Overseas Limited and Mr. Kailash Gupta in relation to attachment by the complainant of 12,96,900 shares of NMCE held by Neptune Overseas Limited; and
3. Company Appeal No. 5/59/CLB/MB/2014 (Old), TP No. 56/59/NCLT/AHM/2016 (New) filed by NMCE before the Company Law Board (now NCLT) for cancellation of 29,32,680 shares of NMCE held by Neptune Overseas Limited as per the final order of Forward Market Commission dated July 23, 2011.

**N. M. RAIJI & CO.**  
*Chartered Accountants*  
Universal Insurance Building,  
Pherozeshah Mehta Road,  
Mumbai-400 001. INDIA  
Telephone: 2287 0068  
2287 3463  
Telefax : 91 (22) 2282 8646  
E-mail : nmr.ho@nmraiji.com

**STRICTLY PRIVATE & CONFIDENTIAL**

**June 30, 2017**

**To,**  
**The Board of Directors**  
**Indian Commodity Exchange Limited**

Dev House, 260-261, Tribhuvan Complex,  
Ishwar Nagar, New Friends Colony (W),  
New Delhi- 110065.

**The Board of Directors**  
**National Multi-Commodity Exchange of India**  
**Limited**

Office No 4, 4<sup>th</sup> Floor,  
H.K. House, Behind Jivabhai Chambers,  
Ashram Road,  
Ahmedabad – 380 009.

**Re: Recommendation of Share Exchange Ratio for the purpose of proposed merger of National Multi-Commodity Exchange of India with Indian Commodity Exchange Limited.**

Dear Sir(s),

As per our discussions with the Management of Indian Commodity Exchange Limited and National Multi-Commodity Exchange of India Limited (hereinafter collectively referred to as the "Management"), we have carried out the fair valuation of equity shares of Indian Commodity Exchange Limited (hereinafter referred to as "ICEX" or "the Transferee Company") and National Multi-Commodity Exchange of India Limited (hereinafter referred to as "NMCE" or "the Transferor Company") to recommend the share exchange ratio for the proposed Scheme of Amalgamation of NMCE with ICEX.

**1. PURPOSE OF VALUATION**

- 1.1 We have been informed that, the managements of the respective Companies are considering a proposal for merger of NMCE with ICEX, (hereinafter referred to as "Amalgamation" or "Merger") pursuant to the provisions of Sections 230 to 232 and the



relevant provisions of the Companies Act 2013, including rules and regulations made thereunder and other applicable provisions of the Companies Act, 1956, (hereinafter referred to as "Scheme"). Subject to necessary approvals, the merger of NMCE with ICEX will be with effect from the Appointed Date of 1<sup>st</sup> April 2017.

- 1.2 In this connection, we, M/s. N.M. Rajji & Co., Chartered Accountants, have been appointed to carry out the relative valuation of Equity Shares of ICEX and NMCE and to recommend the share exchange ratio.

## **2. BRIEF BACKGROUND OF THE COMPANIES**

### **2.1 INDIAN COMMODITY EXCHANGE LIMITED (ICEX)**

- 2.1.1 Indian Commodity Exchange Limited is a recognized Stock exchange under the Securities Contracts (Regulation) Act, 1956 in terms of Section 131(B) of Finance Act, 2015 pursuant to the Central Government notification dated August 28, 2015, which provides a nation-wide on-line trading platform in commodity derivatives.
- 2.1.2 It aims to be the final destination for commodity price hedging in India. It has also tied up with leading technology provider Millennium IT, a subsidiary of the London Stock Exchange Group, having its systems used by exchange businesses around the world.

### **2.2 NATIONAL MULTI-COMMODITY EXCHANGE OF INDIALIMITED (NMCE)**

- 2.2.1 National Multi Commodity Exchange of India Limited (NMCE) was the first commodity exchange to be granted permanent recognition by the Central Government. It was incorporated on December 20, 2001, at Ahmedabad, and commenced trading operations on November 26, 2002.
- 2.2.2 NMCE provides world class services of on-line screen based Futures Trading of permitted commodities and efficient clearing and guaranteed settlement, while complying with statutory / regulatory requirements.



**3. EXCLUSIONS AND LIMITATIONS**

- 3.1 Our report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, and in conjunction with the relevant documents referred to herein.
- 3.2 No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 3.3 Our work does not constitute an audit or certification of the historical financial statements / prospective results including the working results of the Companies referred to in this report and should not be construed as such. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation mentioned in the report is as per agreed terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 3.4 A valuation of this nature involves consideration of various factors, including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on our opinion, on the fair value of the shares of the Companies including any significant changes that have taken place or are likely to take place in the financial position of the Companies, subsequent to the Appointed Date for the proposed merger. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 3.5 In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or an audit of the information provided for the purpose of this engagement. Public information, estimates, industry and statistical information relied in this report have been obtained from the sources considered to be reliable. However, we have not independently verified such





information and make no representation as to the accuracy or completeness of such information from or provided by such sources. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Companies. We assume no responsibility for any errors in the above information furnished by the Companies and its consequential impact on the present exercise.

- 3.6 We have been provided with the estimates of future financial performance by the management of the Companies, which represents their view of reasonable expectation at the point of time when they were prepared, but such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the prospective financial statements may vary from those contained in the statement and the variation may be material. The fact that both the Companies do not have significant revenue from operations and lower capital base, hence, we have not considered the projections in this exercise of valuation.
- 3.7 Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed merger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed merger.
- 3.8 This report is prepared only in connection with the proposed merger exclusively for the use of the Companies and for submission to any regulatory/statutory authority as may be required under any law.
- 3.9 Any person/party intending to provide finance/invest in the shares/businesses of any of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 3.10 It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed merger as aforesaid, can be done only with our prior permission in writing.
- 3.11 Neither N.M. Raji & Co., nor its partners, managers, employees nor any of their agents, make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried



out. All the aforesaid parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation.

**4. SOURCES OF INFORMATION**

For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management.

- (a) Memorandum and Articles of Association of the Companies;
- (b) Annual reports of NMCE and ICEX for FY15 and FY16;
- (c) Audited financial statement of NMCE and ICEX for the year ended March 31, 2017;
- (d) Share capital details of the Companies as on March 31, 2017;
- (e) Draft Scheme of Amalgamation, sections 230 to 232 and the relevant provisions of the Companies Act 2013, including rules and regulations made there under, and other applicable provisions of the Companies Act, 1956;
- (f) Other relevant details regarding the Companies such as their history, their promoters, past and present activities, other relevant information and data including information in the public domain; and
- (g) Such other information and explanations as we required and which have been provided by the management of the Companies. We have relied on the representations made to us by the management including financial information, significant transactions and events occurring subsequent to the balance sheet date. We have assumed such representations to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects.

**5. VALUATION APPROACH**

5.1 For the purpose of valuation, generally the following approaches are adopted:

- (a) the "Underlying Asset" approach;
- (b) the "Discounted Cash Flow" approach;
- (c) the "Income" approach; and
- (d) the "Market Price" approach;

Since the shares of ICEX and NMCE are not listed on any of the stock exchanges, the 'market' approach is not applicable for the valuation.





For financial institutions, free cash flows are invested in securities; hence a lot of their assets and liabilities are financial instruments that are marked to market. Thus, discounted cash flow does not provide true fair value of the business. Hence, companies in the financial sector are valued based on comparable multiple / income approach.

**6. SALIENT FEATURES OF THE PROPOSED SCHEME**

- 6.1 The Scheme envisages merger of NMCE with ICEX.
- 6.2 The appointed date of the said Scheme is 1<sup>st</sup> April, 2017. The 'Effective Date', as defined in the Scheme, is the date on which the certified copies of the Order of the NCLT, as defined in the Scheme, sanctioning the Scheme, is filed with the Registrar of Companies concerned.
- 6.3 The scheme envisages transfer of all the assets and liabilities, duties, obligations, contracts etc., of NMCE to ICEX, by way of merger, at their book values with effect from the Appointed Date.
- 6.4 In consideration, ICEX will issue equity shares to the equity shareholders of NMCE.

**7. UNDERLYING ASSET APPROACH**

- 7.1 The Underlying Asset Approach represents the value of the business, with reference to historical cost of assets owned and the attached liabilities on the valuation date.

The method of calculation of the share value after ascertaining the net asset value on the basis of the book value could be accepted as a proper mode of valuation of the shares." In the case of the "Underlying Asset" approach, the value is determined by dividing the net assets of the company by the number of shares. The Underlying Asset approach represents the value, with reference to the historical cost of the assets owned by the Company and attached liabilities as at the valuation date. Such value usually represents the support value of a going concern.

- 7.2 Since the shares are valued on a "going concern" basis and an actual realization of the operating assets is not contemplated, we have considered it appropriate not to determine the realizable or replacement value of the assets. The operating assets have, therefore, been considered at their book values, except in case of Immovable property.



- 7.3 While calculating the net asset value of both the companies, the net worth was adjusted by reducing the contingent liabilities and making other appropriate adjustments.

**8. INCOME APPROACH**

- 8.1 This method arrives at the value of a company by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. In the present scenario, the Price to Sales multiples of comparable companies is used. Relevant multiples need to be chosen carefully and adjusted for differences with regard to the circumstances (viz liquidity, revenue, etc.) for the Companies involved under merger proposal, by assigning appropriate discount to arrive at the adjusted multiple applicable in each case.

- 8.2 For NMCE and ICEX, the revenue of respective companies has been multiplied by the adjusted multiple so obtained for the comparable companies, as applicable, to arrive at the equity value under the Income approach.

- 8.3 To the value so arrived, adjustments are made for cash and cash equivalents outstanding as on the valuation date, wherever applicable.

*Note: For determining the Sales Value for comparable companies, we have considered Consolidated Accounts for latest available financials.*

**9. RECOMMENDATION OF FAIR EXCHANGE RATIO**

- 9.1 The fair basis of merger of the undertaking would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above approaches, for the purposes of recommending a share exchange ratio, it is necessary to arrive at a single value for the shares of each company. It is, however, important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of each company. Our exercise is to work out the relative value of shares of the Companies to facilitate the determination of an exchange ratio.



Considering the fact that, after the amalgamation, the business of the Companies is intended to be continued on a "going concern" basis, in order to arrive at the relative values of the Companies, we have considered it appropriate to adopt the "Underlying Asset Approach" and "Comparable Companies Market Multiple Approach" for the valuation of ICEX and NMCE.

9.2 The share exchange ratio has been arrived at on the basis of a relative valuation of the shares of the Companies based on the methodology explained herein above and various qualitative factors relevant to each company and the business dynamics and growth potential of the businesses of the Companies, having regard to the information base, management representations and perceptions, key underlying assumptions and limitations. We have provided 75.0% weight to the "Underlying Asset Approach" and 25.0% weight to the "Income Approach" for arriving at a share exchange ratio. As the business operations of both the companies are at a nascent stage and a majority of the current revenue is coming from non-operating sources, we have given a higher weightage to the Underlying Asset Approach and a lower weightage to the Income Approach.

9.3 In the light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion, the following is the fair value of shares:

<b>NAME OF THE COMPANY</b>	<b>FAIR VALUE PER SHARE (INR)</b>
NMCE	40.19
ICEX	3.87



**N. M. RAIJI & CO.**

Accordingly, in the event of merger of NMCE into ICEX, the shares to be issued to the shareholders of NMCE as consideration in the proportion of their shareholding in NMCE, would be:

**10,384 Equity Shares of ICEX of face value INR 5/- each, for every 1,000 equity shares of NMCE of INR 10/- each. Shareholders holding less than 1,000 equity shares of NMCE will be issued proportionate shares of ICEX based on above mentioned share exchange ratio.**

For N. M. Raiji & Co.  
Chartered Accountants  
Firm's Regn. No.: 108296W



(Vinay D. Balse)  
Partner  
Membership No.: 39434



Place: Mumbai



June 30, 2017

**To,  
The Board of Directors  
Indian Commodity Exchange Limited**

Dev House, 260-261, Tribhuvan Complex,  
Ishwar Nagar, New Friends Colony (W),  
New Delhi- 110 065,

**To,  
The Board of Directors  
National Multi-Commodity Exchange of India  
Limited**

Office No 4, 4th Floor, H.K. House,  
Behind Jivabhai Chambers,  
Ashram Road,  
Ahmedabad – 380 009.

**Sub: Fairness Opinion on the Report of N. M. Rajji & Co. Chartered Accountants with respect to the proposed scheme of amalgamation of National Multi-Commodity Exchange of India Limited with Indian Commodity Exchange Limited**

**Dear Sirs,**

Vivro Financial Services Private Limited ('Vivro', 'we', 'us', 'our'), refers to the engagement letter dated June 26, 2017 whereby Indian Commodity Exchange Limited (hereinafter referred to as 'ICEX' the Transferee Company, 'you', 'your') and National Multi-Commodity Exchange of India Limited (hereinafter referred to as 'NMCE' the Transferor Company) ("collectively referred to as 'the Companies'") have appointed us as an Independent Merchant Banker for furnishing a 'Fairness Opinion' on the valuation report issued of N. M. Rajji & Co. Chartered Accountants, ('Independent Valuer'), for the proposed scheme of amalgamation of National Multi-Commodity Exchange of India Limited with Indian Commodity Exchange Limited pursuant to sections 230 to 232 of the Companies Act, 2013.

#### **1. SOURCE OF INFORMATION**

We have relied on the following information made available to us by the management of both the Companies for purpose of this opinion:

- 1) Audited Financial Statements of ICEX and NMCE for the Financial Year ended on March 31, 2017, March 31, 2016 and March 31, 2015;
- 2) Draft Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited with Indian Commodity Exchange Limited (hereinafter referred to as 'the Scheme');
- 3) Valuation Report prepared by N. M. Rajji & Co. Chartered Accountants for ascertaining share exchange ratio for the Scheme along with supporting workings;
- 4) Present Shareholding Pattern, authorized and paid up share capital details of NMCE and ICEX;
- 5) Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.



Page 1 of 4

**Regd. Office :**

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Tel.: +91 (79) 40404242, 26650669

CIN - U67120G11996PTC029182, Merchant Banker Sebi. Reg. No. INM000010122, AMBI Reg. No. AMBI/086

## 2. DISCLAIMER & LIMITATIONS

This Fairness Opinion Report is prepared by Vivro Financial Services Private Limited under an engagement from ICEX and NMCE based on information, documents, papers, and explanations given by the management, officers and staff of the Companies to Vivro.

In preparing the Fairness Opinion Report, Vivro has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and financial data provided by the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

Our work does not constitute an audit or certification or due diligence of the past financials of the Transferee Company and the Transferor Company used in the study and we have relied upon the information provided to us by the management of the Companies as regards such working results.

No investigation of the Companies' claim to the title of assets or property owned by the Companies has been made for the purpose of the fairness opinion. With regards to the Companies' claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for the purpose of this report.

Vivro has also considered the Scheme as furnished. It is assumed that the Scheme will be consummated in accordance with the expected terms.

Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly on account of the use of or reliance on the information set out herein in this report.

Vivro has not provided any accounting, tax or legal advice to any company involved in the transaction. Fairness Opinion Report should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the transaction.

The fee for our services is not contingent upon the results of the Scheme. This opinion is subject to Laws of India.

We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Scheme. We accept no responsibility as to the financial performance of ICEX following the consummation of the proposed Scheme.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital  
Vivro Financial Services Private Limited

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market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

This Opinion is furnished on a strictly confidential basis. Neither this opinion nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above or as may be required under applicable laws and regulation.

This Report, its contents and the results herein (i) are specific to proposed amalgamation and purpose agreed as per the terms of our engagement; (ii) are specific to the date of this report and (iii) are necessarily based on the prevailing market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the written and oral information made available to us as of date of the report. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

### 3. BACKGROUND OF THE COMPANIES

#### ❖ INDIAN COMMODITY EXCHANGE LIMITED - TRANSFEREE COMPANY

Indian Commodity Exchange Limited is a screen based on-line derivatives exchange for commodities. ICEX is recognized stock exchange under the Securities Contracts (Regulation) Act, 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 derivative.

It aims to be the final destination for commodity price hedging in India. It has also tied up with leading technology provider Millennium IT, a subsidiary of London Stock Exchange Group having its systems used by exchange businesses around the world.

#### ❖ NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED – TRANSFEROR COMPANY

National Multi Commodity Exchange of India Limited was the first multi commodity exchange to be granted permanent recognition by the Central Government. NMCE was incorporated under the Companies Act, 1956 on December 20, 2001 having its Registered Office at Office No.4, 4th Floor, H. K. House, Behind Jivabhai Chambers, Ashram Road Ahmedabad – 380 009.

NMCE commenced trading operations on November 26, 2002 and it is committed to provide world class services of on-line screen based futures trading of permitted commodities and efficient clearing and guaranteed settlement, while complying with Statutory / Regulatory requirements.



Vivro Financial Services Private Limited

Page 3 of 4

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#### 4. SCOPE AND PURPOSE OF THIS REPORT

We understand that the Boards of Directors of ICEX and NMCE have considered and proposed the scheme of amalgamation of NMCE with ICEX, pursuant to the provisions of sections 230 to 232 of the Companies Act, 2013.

The Companies have appointed N. M. Rajji & Co. Chartered Accountants as the Independent Valuer for issuing valuation report determining share exchange ratio for issue of shares by ICEX to the shareholders of NMCE.

In this connection, the Managements have engaged Vivro to submit a report on the Fairness of the Valuation Report provided by the Valuer. Our scope of work only includes forming an opinion on the fairness of the recommendation given by the Valuer on the exchange ratio arrived at for the purpose of the Scheme and not on the fairness or economic rationale of the Scheme per se.

This report is subject to the scope, assumptions, disclaimers and limitations detailed above. As such the report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of providing our independent opinion on the share exchange ratio determined by the Valuer, and should not be used for any other purpose except for submission to any regulatory/ statutory authority as may be required.

#### 5. VALUER'S RECOMMENDATIONS

For the amalgamation of NMCE with ICEX, the share exchange ratio recommended by the Valuer for issue of consideration to the shareholders of NMCE is as follows:

**"10,384 Equity Shares of ICEX of face value ₹ 5/- each, for every 1,000 equity shares of NMCE of ₹ 10/- each."**

#### 6. OUR OPINION ON THE VALUER'S REPORT

The fairness opinion has been prepared based on the Valuer's Report as mentioned hereinabove and our analysis of the various factors relevant to the Companies, having regard to the information submitted, management representations, key underlying assumptions and limitations.

On consideration of all relevant factors and circumstances, in our opinion the valuation approach considered by the Valuer and the proposed share exchange ratio as recommended by Valuer which forms the basis for arriving at consideration in the form of equity shares for the Scheme is fair and reasonable.

**For, Vivro Financial Services Private Limited**

*Vaish*

**Vivek Vaishnav**  
**Director**  
**Place: Mumbai**



Vivro Financial Services Private Limited

Page 4 of 4

**Regd. Office :**

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CIN - U67120GJ1996PTC029182, Merchant Banker Sebi. Reg. No. INM00010122, AMBI Reg. No. AMBI/086



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INDIAN COMMODITY EXCHANGE LIMITED AT THEIR MEETING HELD ON JUNE 30, 2017 EXPLAINING EFFECT OF THE SCHEME OF AMALGAMATION ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL AND SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER)**

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**1. Background**

- 1.1. A meeting of the Board of Directors ('Board') of Indian Commodity Exchange Limited ('the Company' or 'ICEX' or 'the Transferee Company') was held on June 30, 2017 to consider and recommend the proposed Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited ('NMCE' or 'the Transferee Company') with ICEX and their respective shareholders ('the Scheme').
- 1.2. In terms of section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders. Further, the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.
- 1.3. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):
  - a. Draft Scheme of Amalgamation of NMCE with ICEX and their respective shareholders;
  - b. Valuation Report dated June 30, 2017 issued by M/s. N M Raiji & Co , on the proposed merger of NMCE into ICEX; and
  - c. Fairness Report dated June 30, 2017 issued by M/s. Vivro Financial Services Private Limited, on the proposed merger of NMCE into ICEX.

**2. Background of the Proposed Scheme**

- 2.1. The proposed Scheme of Amalgamation presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 is for the amalgamation of NMCE into ICEX and is subject to such other approvals/ permissions, as may be required under the applicable laws, regulations, and guidelines issued by the regulatory authorities.
- 2.2. The Scheme is been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income-Tax Act, 1961.
- 2.3. The Valuation Report obtained from M/s. N M Raiji & Co, Chartered Accountants had recommended the following ratio in their report dated June 30, 2017:

10,384 Equity Shares of ICEX of face value INR 5/-, for every 1,000 equity shares of NMCE of INR 10/- each. Shareholders holding less than 1,000 equity shares of NMCE will be issued proportionate shares of ICEX based on above mentioned share exchange ratio.

### **3. Rationale for the Scheme:**

3.1. The Transferor Company and the Transferee Company are deemed Recognised Stock Exchanges under Securities Contracts (Regulation) Act, 1956 providing online screen based derivative exchanges for permitted commodities and are registered with Securities Exchange Board of India. The amalgamation of the Transferee Company with the Transferor Company would consolidate the business operations of the Transferee Company and the Transferor Company and have the following benefits:

- Greater integration of operations, greater financial strength and flexibility resulting in operational synergy of the combined entity;
- Greater efficiency in management of resources of the Transferor Company and access to resources of the Transferor Company that can be deployed more efficiently in the combined entity;
- Providing a common platform for the trading in derivatives of several permitted commodities, being traded by the Transferor Company and proposed to be traded by the Transferee Company; and
- Reducing administrative, operative and marketing costs.

The amalgamation of the Transferor Company with the Transferee Company would thus help in attaining operational efficiencies, cost competitiveness, creating synergies for businesses; and would assist in capitalizing on the growth opportunities to the fullest extent as the Transferor Company and Transferee Company are engaged in similar line of business being online screen based derivative exchanges for permitted commodities.

### **4. Valuation**

4.1. The Valuation Report have been obtained from M/s. N M Raiji & Co, Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness and concurred to by M/s. Vivro Financial Services Private Limited, Category-I Merchant Banker.

4.2. The Valuation Report states that, the share exchange ratio for the proposed Merger of NMCE into ICEX, would be as under:

10,384 Equity Shares of ICEX of face value INR 5/-, for every 1,000 equity shares of NMCE of INR 10/- each. Shareholders holding less than 1,000 equity shares of NMCE will be issued proportionate shares of ICEX based on above mentioned share exchange ratio.

Boards of Directors are of the view that, the same is fair and reasonable and is in the interest of shareholders.

**5. Impact on key stakeholders:**

There is expected to be no adverse effect of the said Scheme on the key managerial personnel, directors, promoters and non-promoter shareholders of the Company.

**For Indian Commodity Exchange Limited**

Sd/-

**Sanjit Prasad**

**Managing Director and CEO**

**Din – 03304097**

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED AT ITS MEETING HELD ON JUNE 30, 2017 EXPLAINING EFFECT OF THE SCHEME OF AMALGAMATION ON EACH CLASS OF SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER) AND KEY MANAGERIAL PERSONNEL, THE SHAREHOLDERS**

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**1. Background**

- 1.1. A meeting of the Board of Directors ('Board') of National Multi-Commodity Exchange of India Limited ('the Company' or 'NMCE' or 'the Transferor Company') was held on June 30, 2017 to consider and recommend the proposed Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited with Indian Commodity Exchange Limited ('ICEX' or 'the Transferee Company') and their respective shareholders ('the Scheme').
- 1.2. In terms of section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders has to be appended with the notice of the meeting of shareholders. Further, the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of section 232(2)(c) of Companies Act, 2013.
- 1.3. While deliberating on the Scheme, the Board had, inter-alia, considered and took on record following necessary documents ('Documents'):
  - d. Draft Scheme of Amalgamation of NMCE with ICEX and their respective shareholders;
  - e. Valuation Report dated June 30, 2017 issued by M/s. N. M. Raiji & Co. Chartered Accountants, on the proposed merger of NMCE with ICEX.
  - f. Fairness Report dated June 30, 2017 issued by Vivro Financial Services Private Limited, on the proposed merger of NMCE with ICEX

**2. Background of the Proposed Scheme**

- 2.1. The proposed Scheme of Amalgamation presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 is for the amalgamation of NMCE into ICEX and is subject to such other approvals/ permissions, as may be required under the applicable laws, regulations, and guidelines issued by the regulatory authorities.
- 2.2. The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income-Tax Act, 1961.
- 2.3. The Share Issuance Report obtained from M/s. N M RAIJI & CO. Chartered Accountants had recommended the following ratio in their report dated June 30, 2017:

“ 10,384 Equity Shares of ICEX of Face Value of Rs. 5/- each for every 1000 Equity Shares of NMCE of Rs. 10/- each. Shareholders holding less than 1000

equity shares of NMCE will be issued proportionate shares of ICEX based on above mentioned share exchange ratio.”

### **3. Rationale for the Scheme:**

3.1. The Transferor Company and the Transferee Company are deemed Recognised Stock Exchanges under the Securities Contracts (Regulation) Act, 1956 providing online screen based derivative exchanges for permitted commodities and are registered with Securities Exchange Board of India. The amalgamation of the Transferee Company with the Transferor Company would consolidate the business operations of the Transferee Company and the Transferor Company and have the following benefits:

- Greater integration of operations, greater financial strength and flexibility resulting in operational synergy of the combined entity;
- Greater efficiency in management of resources of the Transferor Company and access to resources of the Transferor Company that can be deployed more efficiently in the combined entity;
- Providing a common platform for the trading of several permitted commodities, being traded by the Transferor Company and proposed to be traded by the Transferee Company; and
- Reducing administrative, operative and marketing costs.

The amalgamation of the Transferor Company with the Transferee Company would thus help in attaining operational efficiencies, cost competitiveness, creating synergies for businesses; and would assist in capitalizing on the growth opportunities to the fullest extent as the Transferor Company and Transferee Company are engaged in similar line of business being online screen based derivative exchanges for permitted commodities.

*Their business would complement each other, the transferor company being predominantly in Agri Commodities and Transferee company in Non-Agri.*

### **4. Valuation**

4.1. The Reports on valuation have been obtained from M/s. N M Raiji & Co., Chartered Accountants, an independent valuer. The valuations have been arrived at based on the various methodologies explained in the Report and various qualitative factors relevant to the Business and the business dynamics and growth potentials of the business, having regard to information base, key underlying assumptions and limitations. The valuation has been reviewed for fairness by M/s. Vivro Financial Services Private Limited, Category-I Merchant Banker.

4.2. Based on attached Valuation Report of M/s. N M Raiji dated 30/06/2017.

4.3. The valuation report states that the fair entitlement, for the proposed Merger of NMCE into ICEX, should be 1000:10384 and therefore, the Board of Directors of NMCE have concluded that it is fair and reasonable and also in the interest of ICEX, NMCE and its shareholders.

4.4. Thus, Clause 2.2.1, “consideration”, of the Scheme provides that 10384 fully paid up equity shares of INR 5 each of the Transferee Company shall be issued and allotted for every 1000 equity shares of INR 10 each held in the Transferor Company.

**5. Impact on key stakeholders:**

5.1. As far as the equity shareholders of NMCE are concerned, they will be allotted 198507476 equity Share of ICEX of Rs. 5/- each amounting to Rs. 99,25,37,380/- on a proportionate basis, in accordance with the aforesaid ratio as recommended in the Valuation Report. Accordingly, the effect of the Scheme on equity shareholders of NMCE shall be to the extent of their shareholding in the Company.

5.2. There is expected to be no adverse effect of the said Scheme on the key managerial personnel and directors of the Company.

**For National Multi-Commodity Exchange of India Limited**

Sd/-

\_\_\_\_\_  
**Director / Authorised Signatory**

**Indian Commodity Exchange Limited**  
**Unaudited Balance Sheet as at December 31, 2017**

	Note No.	As at December 31, 2017 Amount (₹)	As at March 31, 2017 Amount (₹)
<b>I. Equity &amp; Liabilities</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	3	1,675,000,000	1,675,000,000
(b) Reserves and Surplus	4	(642,955,890)	(535,499,263)
<b>(2) Settlement guarantee fund</b>	5	125,015,904	103,495,805
<b>(3) Non-current liabilities</b>			
Long-term Provisions	6	2,444,608	2,908,053
<b>(4) Current liabilities</b>			
(a) Trade Payables	7	6,162,890	5,195,365
(b) Other Current Liabilities	8	39,992,193	14,918,056
(c) Short-term Provisions	9	72,642,575	70,486,052
<b>Total</b>		<u>1,278,302,280</u>	<u>1,336,504,068</u>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		104,327,572	17,070,940
(ii) Intangible Assets		16,006,266	10,401,948
(b) Long Term Loans and Advances	11	2,568,800	2,591,200
<b>(2) Current assets</b>			
(a) Current Investments	12	894,358,621	818,096,447
(b) Trade Receivables	13	71,658	-
(c) Cash and Bank Balances	14	106,978,540	357,913,446
(d) Short-term Loans and Advances	15	142,285,549	119,833,261
(e) Other Current Assets	16	11,705,274	10,596,826
<b>Total</b>		<u>1,278,302,280</u>	<u>1,336,504,068</u>

**Indian Commodity Exchange Limited**

**Unaudited Statement of Profit and Loss for the year ended December 31, 2017**

	Note No.	For the period ended December 31, 2017 Amount (₹)	For the year ended March 31, 2017 Amount (₹)
<b>I. Income</b>			
Revenue from Operations	17	12,042,504	13,026,702
Other Income	18	43,201,619	30,112,920
<b>Total Revenue</b>		<b>55,244,123</b>	<b>43,139,622</b>
<b>II. Expenses</b>			
Operating Costs	19	35,825,679	71,462,286
Employee benefit expenses	20	61,033,584	68,514,948
Financial Costs	21	22,439	8,716
Depreciation	10	16,801,794	5,236,650
Other Expenses	22	49,017,254	46,171,673
<b>Total Expenses</b>		<b>162,700,750</b>	<b>191,394,273</b>
<b>III. Profit / (loss) before prior period, exceptional and extraordinary items and tax (I-II)</b>		<b>(107,456,627)</b>	<b>(148,254,651)</b>
<b>IV. Prior Period Items</b>		-	-
<b>V. Profit/ (loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(107,456,627)</b>	<b>(148,254,651)</b>
<b>VI. Exceptional items</b>		-	-
<b>VII. Profit / (loss) before extraordinary items and tax (V-VI)</b>		<b>(107,456,627)</b>	<b>(148,254,651)</b>
<b>VIII. Extraordinary items</b>		-	-
<b>IX. Profit / (loss) before tax (VII-VIII)</b>		<b>(107,456,627)</b>	<b>(148,254,651)</b>
<b>X. Tax expense:</b>		-	-
<b>XI. Profit / (loss) for the year (IX-X)</b>		<b>(107,456,627)</b>	<b>(148,254,651)</b>
Earnings per Share - Basic (₹)	32	(0.32)	(0.74)
- Diluted (₹)		(0.32)	(0.74)
Face Value Per Share (₹)		5.00	5.00

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



**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at December 31, 2017

	As At December 31, 2017 Amount (₹)	As At March 31, 2017 Amount (₹)
<b>3 Share Capital</b>		
<i>Authorised</i>		
35,00,00,000 (Previous Year: 35,00,00,000) Equity Shares of face value of ₹ 5/- each	1,750,000,000	1,750,000,000
<i>Issued, subscribed and paid up</i>		
33,50,00,000 (Previous Year: 33,50,00,000) Equity Shares of face value of ₹ 5/- each	1,675,000,000	1,675,000,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1,675,000,000</b>	<b>1,675,000,000</b>

The Company has increased the authorised share capital by 10,00,00,000 Equity Shares of face value of ₹ 5/- each vide resolution of share holders dated September 26, 2016.

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

**Equity Shares**

Particulars	As at December 31, 2017		As at March 31, 2017	
	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Shares outstanding at beginning of the reporting period	335,000,000	1,675,000,000	200,000,000	1,000,000,000
Shares Issued during the year	-	-	135,000,000	675,000,000
<b>Shares Outstanding at end of the reporting period</b>	<b>335,000,000</b>	<b>1,675,000,000</b>	<b>335,000,000</b>	<b>1,675,000,000</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% shares in the Company**

Name of the Shareholder	As at December 31, 2017		As at March 31, 2017	
	No. of shares	% of Holding	No. of shares	% of Holding
Equity share of ₹ 5 each fully paid up				
Shareholders having more than 5 % shares in the Company as follows:				
Reliance Exchangexst Limited	87,100,000	26.00%	87,100,000	26.00%
Indiabulls Housing Finance Limited	35,000,000	10.45%	35,000,000	10.45%
MMTC Limited	32,000,000	9.55%	32,000,000	9.55%
Abhinay Trading Private Limited	28,000,000	8.36%	28,000,000	8.36%
Indian Potash Limited	26,800,000	8.00%	26,800,000	8.00%

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

## Indian Commodity Exchange Limited

### Notes forming part of financial statements as at December 31, 2017

- d. In terms of the Guidelines for Grant of Recognition to new National Commodity Exchange under the provisions of the Forward Contracts (Regulation) Act, 1952, dated May 14, 2008, issued by Forward Market Commission (FMC), the investment in the initial paid up capital of the Company by its shareholders was subject to a lock-in period of three years from the date of recognition (October 9, 2009) of the Exchange. As at March 31, 2010, Indiabulls Housing Finance Limited ("IHFL") held 40% of the outstanding paid up equity share capital of the Company. In terms of the applicable guidelines issued by the FMC, Indiabulls Housing Finance Limited ("IHFL") was required to dilute its shareholding to bring it down to 26% or below of the paid up equity share capital, within two years beginning with the fourth year from the date of recognition of the Exchange.

Pursuant to the Company's application, Government of India and Forward Market Commission granted their approval vide their letters dated September 23, 2010 and October 04, 2010 respectively, for the transfer by Indiabulls Housing Finance Limited ("IHFL") of 52,000,000 equity shares representing 26% of the outstanding paid up equity share capital of the Company to Reliance Exchangenext Limited. The said transfer of shares was concluded on December 13, 2010. The aforesaid approval from Government of India and Forward Markets Commission are subject to the following conditions -

(a) that three years lock-in period condition shall apply to the new anchor investor, Reliance Exchangenext Limited ("R-NEXT") afresh with effect from the date of Government approval, i.e., September 23, 2010.

(b) that in case MMTC Ltd, which now becomes co-anchor investor, exercises its right to stake a claim to 14% in the Exchange from IHFL in pursuance to its right to first refusal, IHFL will be bound to transfer its remaining 14% to MMTC Ltd at the same price at which it has been offered to Reliance Exchangenext.

On October 21, 2011, MMTC Ltd submitted a petition before the Company Law Board, New Delhi, in terms of Sections 397, 398, 402 and 403 of the Companies Act, 1956, seeking declaration of the aforesaid transfer of shares as void, injunction and investigation into the affairs of the Company and appointment of Administrative Special Officer, Auditor, etc. 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. During FY 15-16, MMTC sold 10% of its stake to outside investors at ₹ 10 per shares (including premium of ₹ 5 per share)

		As At December 31, 2017 Amount (₹)	As At March 31, 2017 Amount (₹)
<b>4 Reserves &amp; Surplus</b>			
Securities Premium Account		675,000,000	675,000,000.00
	(A)	<u>675,000,000</u>	<u>675,000,000</u>
<b>Deficit in the Statement of Profit &amp; Loss</b>			
Balance of Loss brought forward		(1,210,499,263)	(961,914,942)
Loss for the current year		(107,456,627)	(148,584,321)
Withdrawal / (Contribution) of Settlement Guarantee Fund *		-	(100,000,000)
<b>Amount available for appropriation</b>	(B)	<u>(1,317,955,890)</u>	<u>(1,210,499,263)</u>
<b>Total Appropriations</b>	(C)	-	-
<b>Net deficit</b>	(A+B+C)	<u>(642,955,890)</u>	<u>(535,499,263)</u>

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

FMC has directed the Exchange vide its letter dated May 22, 2015 to refund all Base Minimum Capital (BMC) and Trade Margin Capital (TMC) to the members. The management has complied to the same and responded to FMC.

Indian Commodity Exchange Limited

Notes forming part of financial statements as at December 31, 2017

	As At December 31, 2017 Amount (₹)	As At March 31, 2017 Amount (₹)
<b>5 Settlement Guarantee Fund (SGF)</b>		
Opening Balance	103,495,805	-
- Company's Contribution*	-	100,000,000
- Dividend income on investment	-	27,734
- Interest income	5,461,981	3,468,071
- Profit on sale of investment	58,118	-
	<u>109,015,904</u>	<u>103,495,805</u>
- Base Minimum Capital	16,000,000	-
<b>As per Balance Sheet</b>	<b><u>125,015,904</u></b>	<b><u>103,495,805</u></b>
<p>* The Company reinstated the Settlement Guarantee Fund (SGF) by initial contribution of ₹ 10,00,00,000 to comply with the requirement of in principal approval to start of trading operation of Exchange by SEBI its vide dated September 28, 2016.</p> <p>** FMC has directed the Exchange vide its letter dated May 22, 2015 to refund all Base Minimum Capital (BMC) and Trade Margin Capital (TMC) to the members. The management has complied to the same and responded to FMC.</p>		
<b>6 Long term provisions</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity	283,875	1,582,078
Provision for compensated absences	2,160,733	1,325,975
<b>As per Balance Sheet</b>	<b><u>2,444,608</u></b>	<b><u>2,908,053</u></b>
<b>7 Trade Payables</b>		
Trade Payables		
(a) Dues to Micro and Small Enterprises	-	-
(b) Dues to others	6,162,890	5,195,365
<b>As per Balance Sheet</b>	<b><u>6,162,890</u></b>	<b><u>5,195,365</u></b>
<b>8 Other Current Liabilities</b>		
Amount received from members and applicants towards -		
- Trading Margins received from Members	29,500,000	-
- Application money pending admission	3,670,878	6,004,925
- Advance Payments for which services yet to be given	-	597,500
- Other Members liabilities	758,291	1,246,465
Investor Protection Fund	53,913,281	50,731,982
Less: Amounts deposited and kept in designated bank account, Mutual Fund & Fixed Deposit towards Investor Protection Fund	<u>53,913,281</u>	<u>50,731,982</u>
Statutory Liabilities -		
Service tax payable	-	207,669
Tax deducted at source	1,931,543	3,368,135
Professional Tax	16,400	10,200
Maharashtra Value Added Tax	-	8,302
Goods & Services Tax	697,436	-
Other liabilities	3,149,551	3,474,860
<b>As per Balance Sheet</b>	<b><u>39,992,193</u></b>	<b><u>14,918,056</u></b>

Indian Commodity Exchange Limited

Notes forming part of financial statements as at December 31, 2017

	As At December 31, 2017 Amount (₹)	As At March 31, 2017 Amount (₹)
<b>9 Short Term Provisions</b>		
Provision towards expenses	57,094,644	54,938,121
Provision on surrender of memberships	15,514,075	15,514,075
Provision for gratuity	10,568	10,568
Provision for compensated absences	23,288	23,288
<b>As per Balance Sheet</b>	<b><u>72,642,575</u></b>	<b><u>70,486,052</u></b>
<b>10 Fixed Assets</b>		
<b>a) Tangible assets</b>		Amount (₹)
	<b>Furniture and fixtures</b>	<b>Leasehold Improvements</b>
	<b>Computers</b>	<b>Office Equipment</b>
	<b>Total</b>	
<b>Cost or valuation</b>		
Opening balance	3,095,764	10,144,333
Additions	82,200	56,625
Disposal	-	-
<b>As at December 31, 2017</b>	<b><u>3,177,964</u></b>	<b><u>10,200,958</u></b>
<b>Depreciation</b>		
Opening balance	432,346	2,139,882
Charge for the year	238,295	1,503,955
Disposal during the year	-	-
<b>As at December 31, 2017</b>	<b><u>670,641</u></b>	<b><u>3,643,837</u></b>
<b>Net Block</b>		
<b>As at March 31, 2017</b>	<b>2,663,418</b>	<b>8,064,451</b>
<b>As at December 31, 2017</b>	<b>2,507,323</b>	<b>6,557,121</b>
<b>b) Intangible assets</b>		
	<b>Software</b>	<b>Total</b>
<b>Cost or valuation</b>		
Opening balance	70,732,856	70,732,856
Additions	8,592,144	8,592,144
<b>As at December 31, 2017</b>	<b><u>79,325,000</u></b>	<b><u>79,325,000</u></b>
<b>Amortisation</b>		
Opening balance	60,330,908	60,330,908
Charge for the year	2,987,826	2,987,826
<b>As at December 31, 2017</b>	<b><u>63,318,734</u></b>	<b><u>63,318,734</u></b>
<b>Net Block</b>		
<b>As at March 31, 2017</b>	<b>10,401,948</b>	<b>10,401,948</b>
<b>As at December 31, 2017</b>	<b>16,006,266</b>	<b>16,006,266</b>

Indian Commodity Exchange Limited

Notes forming part of financial statements as at December 31, 2017.

	As At December 31, 2017 Amount (₹)	As At March 31, 2017 Amount (₹)
<b>11 Long Term Loans and Advances</b>		
Security deposit (Unsecured, considered good)	2,568,800	2,591,200
<b>As per Balance Sheet</b>	<u>2,568,800</u>	<u>2,591,200</u>
<b>12 Current Investments</b>		
<b>Investment in Mutual Funds: (Non-trade)</b>		
(At cost and fair value which is lower)		
<b>Unquoted Mutual Funds</b>		
- SBI Premier Liquid Fund - Dir - Growth	60,803,844	111,066,028
- HDFC Liquid Fund -Dir- Growth	187,944,563	180,000,000
- Birla Sun Life Cash Plus Fund - Dir - Growth	155,014,274	167,030,419
- Reliance Liquid Fund Cash Plan- Dir - Growth	90,651,891	180,000,000
- ICICI Prudential Liquid -Dir- Growth	180,185,931	180,000,000
- HDFC Liquid Fund -Dir- Growth - SGF	19,758,118	-
- Kotak Mutual Fund - Dir- Growth - SGF	200,000,000	-
- Invesco India Liquid Fund - Direct Plan Growth	-	-
<b>As per Balance Sheet</b>	<u>894,358,621</u>	<u>818,096,447</u>
<b>13 Trade Receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered doubtful	3,883,117	4,014,831
Provision for doubtful debts	(3,883,117)	(4,014,831)
<b>As per Balance Sheet</b>	<u>-</u>	<u>-</u>
Others	-	-
Secured, considered good	-	-
Unsecured, considered good	71,658	-
<b>As per Balance Sheet</b>	<u>71,658</u>	<u>-</u>

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at December 31, 2017

	As At December 31, 2017 Amount (₹)	As At March 31, 2017 Amount (₹)
<b>14 Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Cash on Hand ( Refer note 42)	24,542	15,295
Balances with scheduled banks *		
In Current Accounts	3,689,911	3,098,151
In Deposits with original maturity of less than three months	-	99,800,000
Sub-total (A)	<u>3,714,453</u>	<u>102,913,446</u>
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	103,264,087	255,000,000
Sub-total (B)	<u>103,264,087</u>	<u>255,000,000</u>
<b>As per Balance Sheet (A + B )</b>	<u><b>106,978,540</b></u>	<u><b>357,913,446</b></u>
<b>15 Short Term Loans and Advances</b>		
<b>Capital Advances</b>		
Unsecured, considered good	10,812,438	26,606,430
Unsecured, considered doubtful	-	-
Provision for doubtful advances	-	-
Sub-total (A)	<u>10,812,438</u>	<u>26,606,430</u>
<b>Security deposit</b>		
Unsecured, considered good	27,000	27,000
Sub-total (B)	<u>27,000</u>	<u>27,000</u>
<b>Advances recoverable in cash or kind</b>		
Unsecured, considered good	36,838,619	19,223,794
Unsecured, considered doubtful	-	-
Provision for doubtful advances	-	-
Sub-total (C)	<u>36,838,619</u>	<u>19,223,794</u>
<b>Other loans and advances</b>		
Considered good		
Income taxes recoverable (net of provisions)	10,994,748	9,570,215
Advance to employees	-	-
Balances with Statutory authorities (Service Tax)	69,533,007	64,405,822
Balances with Statutory authorities (GST)	14,039,737	-
Sub-total (D)	<u>94,607,492</u>	<u>73,976,037</u>
<b>As per Balance Sheet (A+B+C+D)</b>	<u><b>142,285,549</b></u>	<u><b>119,833,261</b></u>
<b>16 Other Current Assets</b>		
Unsecured, considered good		
Interest accrued on fixed deposits with banks	1,216,620	9,557,316
Diamond on E Unit Conversion	7,256,118	
Less: E-units holder on Conversion	<u>(7,256,118)</u>	
Other receivables from members on account of penalty charges levied	409,615	409,975
Less: Payables accrued but not due to be transferred to Investor Protection Fund on account of penalty charges uncollected from Members	<u>(409,615)</u>	<u>(409,975)</u>
Prepaid expenses	10,488,654	1,039,510
<b>As per Balance Sheet</b>	<u><b>11,795,274</b></u>	<u><b>10,596,826</b></u>



**Indian Commodity Exchange Limited**

Notes forming part of financial statements for the year ended December 31, 2017

	For the year ended December 31, 2017 Amount (₹)		For the year ended March 31, 2017 Amount (₹)	
<b>17 Revenue From Operations</b>				
<b>Operating revenues</b>				
Membership admission fee		8,707,627		12,998,697
Other membership fee		37,000		25,000
		<u>8,744,627</u>		<u>13,023,697</u>
<b>Other operating revenues</b>				
Connectivity charges		3,237,910		-
Income from penalty charges		6,014		3,005
Warehousing Charges		53,953		-
		<u>3,297,877</u>		<u>3,005</u>
<b>As per Statement of Profit and Loss</b>		<u>12,042,504</u>		<u>13,026,702</u>
<b>18 Other Income</b>				
Interest income on bank deposits	13,456,999		21,689,147	
Less: Transferred to SGF (Gross)	(5,461,981)	7,995,018	(3,468,071)	18,221,076
Provisions no longer required written back		131,714		954,494
Dividend income on current investments	-		2,015,415	
Less: Transferred to SGF (Gross)	-	-	(27,734)	1,987,681
Profit on redemption of units of mutual fund	33,868,821			8,767,257
Less: Transferred to SGF (Gross)	(58,118)	33,810,703		
Miscellaneous income		1,264,184		82,413
Interest on income tax refund		-		99,999
<b>As per Statement of Profit and Loss</b>		<u>43,201,619</u>		<u>30,112,920</u>
<b>19 Operating Costs</b>				
Information technology support expenses		32,735,591		36,668,899
Networking / leased line expenses		2,995,085		2,221,235
Subscription charges		95,003		72,152
Contribution to Investor Protection Fund		-		32,500,000
<b>As per Statement of Profit and Loss</b>		<u>35,825,679</u>		<u>71,462,286</u>
<b>20 Employee Benefit Expenses</b>				
Salaries, wages and bonus		55,575,502		62,755,584
Contribution to provident and other fund		1,800,777		1,725,621
Gratuity and compensated absences expenses		2,430,381		2,332,316
Staff welfare expenses		1,226,924		1,701,427
<b>As per Statement of Profit and Loss</b>		<u>61,033,584</u>		<u>68,514,948</u>
<b>21 Financial Costs</b>		22,439		96,859
<b>As per Statement of Profit and Loss</b>		<u>22,439</u>		<u>96,859</u>
<b>22 Other Expenses</b>				
Advertisement and business promotion expenses		14,298,861		4,818,144
Travelling and conveyance expenses		2,624,173		3,021,563
Repairs and Maintenance		8,810,057		11,995,710
Professional charges		11,954,720		5,008,025
Lease rentals		4,166,305		4,737,100
Rates and taxes		722,365		8,589,546
Printing and stationery		3,249,038		4,234,112
Communication expenses		632,160		771,002
Electricity expenses		1,008,576		1,347,461
Director's sitting fees		540,000		700,000
Insurance		490,291		477,807
Bad debts		-	5,952,650	-
Less: Provision of bad debts		-	(5,952,650)	-
Postage and courier		122,453		89,074
Auditor's Remuneration				
Statutory audit		300,000		330,000
Certifications		10,000		40,000

Miscellaneous expenses  
As per Statement of Profit and Loss

88,255  
49,017,254

14,129  
46,171,673



**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
**UNAUDITED BALANCE SHEET**  
As at December 31, 2017

Particulars	Notes	As at December 31, 2017	As at December 31, 2016	As at March 31, 2017
<b>(₹)</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Fund</b>				
Share Capital	1	19 11 66 670	19 11 66 670	19 11 66 670
Reserves and Surplus	2	51 67 52 731	50 22 05 923	52 01 87 436
		70 79 19 401	69 33 73 593	71 13 54 106
<b>Non-Current Liabilities</b>				
Other Long Term Liabilities	3	2 59 00 000	2 22 50 000	2 29 00 000
		2 59 00 000	2 22 50 000	2 29 00 000
<b>Current Liabilities</b>				
Trade Payables	4	16 63 885	6 40 028	19 03 509
- Outstanding dues of Micro and Small Enterprises	5	15 17 27 100	14 73 35 627	14 40 67 519
- Outstanding dues of creditors other than Micro and Small Enterprises	6	70 60 784	22 83 655	40 37 216
Other Current Liabilities		16 04 51 769	15 02 59 310	15 00 08 244
Short Term Provisions		89 42 71 170	86 58 82 903	88 42 62 350
		<b>Total</b>	<b>86 58 82 903</b>	<b>88 42 62 350</b>
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
<b>Fixed Assets:</b>				
Tangible Fixed Assets	7	1 92 76 541	2 22 50 939	2 15 17 238
Intangible Fixed Assets		7 790	8 90 251	31 166
		1 92 86 331	2 31 41 190	2 15 48 404
Deferred Tax Assets (Net)	8	32 51 445	38 07 841	45 00 946
Long Term Loans and Advances	9	2 11 75 148	6 12 24 842	7 82 11 922
Other non Current Assets	10	-	8 78 79 090	14 61 24 748
<b>Current Assets</b>				
Current Investments	11	60 60 25 632	53 48 54 460	30 32 95 708
Trade Receivables	12	33 32 789	54 56 240	35 35 817
Cash and Bank Balances	13	22 33 75 054	13 92 44 218	31 82 46 577
Short Term Loans and Advances	14	51 29 061	52 99 705	51 67 404
Other Current Assets	15	1 26 94 710	49 75 317	36 30 824
		85 05 58 246	88 98 29 940	63 38 76 330
		<b>Total</b>	<b>86 58 82 903</b>	<b>88 42 62 350</b>

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
**UNAUDITED STATEMENT OF PROFIT AND LOSS**  
For the Period ended December 31, 2017

Particulars	Notes	(₹)	
		April - 2017 to December - 2017	April - 2016 to December - 2016 March - 2017
<b>Revenue</b>			
Revenue from Operations	16	1 58 39 328	1 24 09 589
Other Income	17	3 93 14 270	4 84 40 992
<b>Total Revenue</b>		<b>5 51 53 598</b>	<b>6 09 10 581</b>
<b>Expenses</b>			
Employee Benefit Expenses	18	3 37 10 913	2 96 20 093
Depreciation and Amortisation Expense	7	23 87 045	27 25 955
Operating and Other Expenses	19	2 07 62 911	2 70 28 283
<b>Total Expenses</b>		<b>5 68 60 869</b>	<b>5 93 74 331</b>
<b>Profit/(Loss) Before Tax</b>		<b>( 17 07 271)</b>	<b>15 36 250</b>
Tax expense:			
Current tax		( 13 39 214)	( 43 55 362)
Deferred Tax	8	( 12 49 501)	( 4 04 714)
(Short) /Excess Provision of Income tax of Previous Years (Including MAT Credit entitlement)		30 48 217	1 74 76 430
<b>Total Tax Expense</b>		<b>4 59 502</b>	<b>( 47 60 076)</b>
<b>Profit/(Loss) for the Period After Tax</b>		<b>( 12 47 769)</b>	<b>( 32 23 826)</b>
Transfer to Settlement Guarantee Fund - Income		68 62 727	68 80 747
Transfer to Investor Protection Fund - Income		21 86 234	19 26 810
<b>Profit/(Loss) transferred to Profit and Loss Account</b>		<b>( 1 02 98 730)</b>	<b>( 1 20 41 363)</b>
Earning Per Equity Share (Nominal Value of ₹10 (P.Y. ₹10))		(0.54)	(0.63)
Basic & Diluted			0.20

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017

1 Shares Capital	As at December 31, 2017		As at December 31, 2016		As at	
	Number	₹	Number	₹	December 31, 2016	March 31, 2017
Share Capital						
Authorised						
Preference Shares of ₹ 10 each (P.Y. of ₹ 10 each)	50 00 000	5 00 00 000	50 00 000	5 00 00 000	5 00 00 000	5 00 00 000
Equity Shares of ₹ 10 each (P.Y. of ₹ 10 each)	5 00 00 000	50 00 00 000	5 00 00 000	50 00 00 000	50 00 00 000	50 00 00 000
Issued, Subscribed & Paid up	5 50 00 000	55 00 00 000	5 50 00 000	55 00 00 000	55 00 00 000	55 00 00 000
Equity Shares of ₹10 each (P.Y. of ₹ 10 each) fully paid-up	1 91 16 667	19 11 66 670	1 91 16 667	19 11 66 670	19 11 66 670	19 11 66 670
2 Reserves and Surplus						
Particulars	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016	As at December 31, 2016	As at March 31, 2017
Securities Premium Account	31 49 21 879	31 49 21 879	(A)	31 49 21 879	31 49 21 879	31 49 21 879
General Reserve	21 00 000	21 00 000	(B)	21 00 000	21 00 000	21 00 000
Settlement Guarantee Fund						
Contribution made during the Year for F.Y. 2007-08 to 2012-13	10 00 00 000	10 00 00 000		10 00 00 000	10 00 00 000	10 00 00 000
Income earned on Base Minimum Capital for F.Y. 2007-08 to 2012-13 (Net of Tax)	1 00 00 000	1 00 00 000		1 00 00 000	1 00 00 000	1 00 00 000
Income generated from Investment of Settlement Guarantee Fund (Net of Tax)	4 60 08 331	3 70 92 717		3 70 92 717	3 91 45 604	3 91 45 604
Penalty on Delivery Settlement	71 502	70 204		70 204	70 204	70 204
Surplus	15 60 79 833	14 71 62 921	(C)	14 71 62 921	14 92 15 808	14 92 15 808
Opening Balance	5 39 49 748	5 00 63 506		5 00 63 506	5 00 63 506	5 00 63 506
Net Profit/(Loss) for the Year	(1 02 98 730)	(1 20 41 363)	(D)	(1 20 41 363)	38 86 242	38 86 242
	4 36 51 018	3 80 22 123		3 80 22 123	5 39 49 748	5 39 49 748
	51 67 52 731	50 22 06 923	(A+B+C+D)	50 22 06 923	52 01 87 436	52 01 87 436

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
**Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017**

Particulars	( ₹ )	
	As at December 31, 2017	As at December 31, 2016
Deposits from Clearing Banks	25 00 000	25 00 000
Deposits of Members - Base Minimum Capital	2 34 00 000	1 97 50 000
	<b>2 59 00 000</b>	<b>2 22 50 000</b>

Particulars	( ₹ )	
	As at December 31, 2017	As at December 31, 2016
Outstanding dues of Micro and Small Enterprises	16 63 885	6 40 028
Outstanding dues of creditors other than Micro and Small Enterprises	<b>16 63 885</b>	<b>6 40 028</b>

As per the information available with the Company, there is no amount outstanding to parties covered under the provisions of The Micro, Small and Medium Enterprises Development Act, 2008 and hence no disclosure is considered necessary under the said Act.

Particulars	( ₹ )	
	As at December 31, 2017	As at December 31, 2016
Trading Members' Margins and Deposits	5 82 01 174	5 33 12 519
Other Members' Deposits	2 31 28 682	3 09 43 302
Investors Protection Fund	6 27 76 276	5 38 12 425
Creditors for Capital Goods	7 39 668	7 39 668
Deposits of Members in Lock in Period	28 82 116	43 36 596
Statutory Dues	23 16 490	25 08 778
Others	16 84 685	16 82 339
	<b>15 17 27 100</b>	<b>14 73 35 627</b>

Particulars	( ₹ )	
	As at December 31, 2017	As at December 31, 2016
Provision for Gratuity	36 33 080	15 08 881
Provision for Leave Encashment	34 27 704	7 74 774
	<b>70 60 784</b>	<b>22 83 655</b>

Note : Actuarial Valuation is carried out on Half yearly basis, so the provision for incremental liability towards Gratuity and Leave Encashment has been made in proportion to half year's charge as per actuarial valuation report.

**NATIONAL MULTI COMMODITY EXCHANGE OF INDIA LIMITED**  
Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017

Particulars	GROSS BLOCK (At cost)			DEPRECIATION/AMORTISATION			NET BLOCK		
	As at April 01, 2017	Additions	Deductions	As at April 01, 2017	Depreciation/ Additions	Deductions	As at Dec 31, 2017	As at Dec 31, 2016	As at March 31, 2017
<b>TANGIBLE ASSETS</b>									
Computers (Note 1)	4 33 26 205	32 858	-	4 10 46 627	10 90 209	-	4 21 39 636	12 18 227	25 44 855
Digital Moving Display Equipment	11 73 152	-	-	11 68 750	2 326	-	11 71 076	2 076	5 196
Price Ticker Boards (Note 2)	78 87 511	-	-	50 74 126	4 57 683	-	56 31 809	23 55 702	29 65 946
Furniture and Fixtures	69 82 328	40 000	-	58 87 383	4 03 291	-	62 70 674	7 51 654	12 69 800
Motor Vehicles	54 00 860	-	-	51 91 075	1 50 017	-	53 41 092	59 869	3 17 267
Office Building	1 62 37 683	-	-	13 17 909	2 03 401	-	15 21 310	1 47 16 373	1 49 87 574
Office Equipments	39 48 259	63 545	18 500	37 66 890	59 743	7 069	38 18 664	1 74 540	1 60 211
<b>Total Tangible Assets</b>	<b>8 49 55 098</b>	<b>1 36 403</b>	<b>18 500</b>	<b>6 34 37 860</b>	<b>23 63 669</b>	<b>7 069</b>	<b>6 57 94 460</b>	<b>1 92 78 541</b>	<b>2 22 50 939</b>
<b>INTANGIBLE ASSETS</b>									
Computers Software (Note 1)	28 41 75 903	-	-	28 41 44 737	23 376	-	28 41 68 113	7 790	8 90 251
<b>Total Intangible Assets</b>	<b>31 09 51 044</b>	<b>-</b>	<b>-</b>	<b>31 09 19 878</b>	<b>23 376</b>	<b>-</b>	<b>31 09 43 254</b>	<b>7 790</b>	<b>8 90 251</b>
<b>Total Assets</b>	<b>39 59 06 142</b>	<b>1 36 403</b>	<b>18 500</b>	<b>37 43 57 738</b>	<b>23 87 045</b>	<b>7 069</b>	<b>37 67 37 714</b>	<b>1 92 86 331</b>	<b>2 31 41 190</b>

Note:-

1) Software purchased from Arrow Total Solutions Private Limited and Arrow Total Solutions LLC amounting to ₹.28.80 Crore which along with other software is amortised over a period of five years, are disputed with respect to its existence and its actual cost as per order of FMC. Order of FMC is also under challenge before Supreme Court. On view of pending finalisation of finding of FMC, such softwares are stated at price paid for the same. Company also has not obtained any Technical Valuation of the same.

2) As per letter of FMC dated April 02, 2014, ownership of these assets is proposed to be transferred to respective specified authorities of State Governments. However, no such formal transaction is finalised, hence the assets are not yet transferred and price, if any, of such transfer is also not yet determined. As the Assets are proportionately owned by the Company at present, no depreciation/loss/profit arising on such pending transfer is accounted for.

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017

Particulars	( ₹ )		
	As at December 31, 2017	Charge/Credit in Current Period As at March 31, 2017	
<b>8 Deferred Tax Liabilities/Assets (Net)</b>			
Particulars			
Deferred Tax Assets			
Provision for Doubtful Debts and Advances	35 54 210	2 12 227	
Provision for Leave Encashment and Gratuity	-	11 12 354	
<b>Total (A)</b>	<b>35 54 210</b>	<b>13 24 581</b>	
Deferred Tax Liabilities			
Depreciation and Amortisation	3 02 765	75 080	
<b>Total (B)</b>	<b>3 02 765</b>	<b>75 080</b>	
<b>Deferred Tax (Liabilities)/Assets (Net) (A)-(B)</b>	<b>32 51 445</b>	<b>12 49 501</b>	
<b>9 Long Term Loans and Advances</b>			
Particulars	As at December 31, 2017	As at December 31, 2016	As at March 31, 2017
Unsecured, Considered Good			
Advance Income Tax including MAT Credit utilised (Advance Tax of ₹ 2,18,75,702 net of Provision for Tax ₹ 53,21,372)	1 65 54 330	5 56 47 948	7 37 89 816
MAT Credit	46 20 818	53 76 894	44 22 106
	<b>2 11 75 148</b>	<b>6 12 24 842</b>	<b>7 82 11 922</b>
Unsecured, Considered Doubtful			
Advance Receivable in Cash or Kind	3 34 05 709	3 34 05 709	3 34 05 709
Less: Provision for Doubtful Loans and Advances	3 34 05 709	3 34 05 709	3 34 05 709
	<b>2 11 75 148</b>	<b>6 12 24 842</b>	<b>7 82 11 922</b>
<b>10 Other Non Current Assets</b>			
Particulars	As at December 31, 2017	As at December 31, 2016	As at March 31, 2017
For Settlement Guarantee Fund			
Fixed Deposits Maturing more than 12 months	-	8 50 70 204	13 50 70 204
Accrued Interest on Fixed Deposits Maturing more than 12 months	-	28 08 886	43 61 787
Interest Receivable on Refund of Income Tax	-	-	66 92 757
	<b>-</b>	<b>8 78 79 090</b>	<b>14 61 24 748</b>

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017

11 Current Investments	No. of Units C.Y. (P.Y.)	As at December 31, 2017	As at December 31, 2016	As at March 31, 2017
Particulars				( ₹ )
<b>Quoted Investments in Mutual Funds:-</b>				
<u>Settlement Guarantee Fund</u>				
Principal Cash Management Fund Growth (Market Value ₹.82 61 238/-) (P.Y. Market Value ₹.34 73 735/-)	4 984.75 (2 230.18)	82 65 000	34 73 016	72 79 000
SBI Debt Fund - Series B Debt 28 -1100 Days - Growth (Market Value ₹.1 17 72 700/-) (P.Y. Market Value ₹.1 10 10 400/-)	10 00 000.00 (10 00 000.00)	1 00 00 000	1 00 00 000	1 00 00 000
Invesco Liquid Fund - Growth (Market Value ₹. 44 20 391/-) (P.Y. Market Value ₹.7 67 287/-)	1 880.31 (348.44)	44 17 000	7 67 000	14 17 000
<u>Investor Protection Fund Account</u>				
IDFC SSIF Medium Term Fund - Growth (Market Value ₹.5 18 75 194/-) (P.Y. Market Value ₹.4 61 49 373/-)	25 43 822.85 (16 74 618.90)	6 18 50 000	4 58 90 483	5 80 67 000
<u>Others</u>				
ABSL Cash Plus - Growth (Market Value ₹.56 59 708/-) (P.Y. Market Value ₹.46 40 917/-)	20 622.39 (18 055.32)	56 55 000	46 40 000	38 82 000
ABSL Short Term Fund - Growth (P.Y. Market Value ₹.9 00 00 000/-)	NIL (14 62 107.06)	-	9 00 00 000	4 00 00 000
ABSL Long Term Plan - Growth (P.Y. Market Value ₹.5 00 00 000/-)	NIL (2 53 524.24)	-	5 00 00 000	1 00 00 000
DHFL Pramerica low duration fund (Market Value ₹. 1 00 03 894/-)	4 17 632.44 (NIL)	1 00 00 000	-	5 00 00 000

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017

Particulars	No. of Units	As at		(₹)
		December 31, 2017	December 31, 2016	
TATA Liquid Fund - Growth (Market Value ₹.3 58 78 553/-) (P.Y. Market Value ₹.4 07 87 712/-)	11 363.83 (13 527.33)	3 58 48 632	4 07 83 961	3 76 50 708
TATA Short Term Bond Fund - Growth (Market Value ₹.2 01 07 996/-) (P.Y. Market Value ₹.8 05 31 635/-)	6 32 295.11 (26 73 666.44)	2 00 00 000	7 97 00 000	-
Reliance Banking & PSU Debt Fund - Growth (P.Y. Market Value ₹. 2 00 40 993/-)	NIL (17 22 400.68)	-	2 00 00 000	-
Reliance Medium Term Fund - Growth (Market Value ₹. 6 56 79 205/-)	16 01 093.21 (NIL)	6 50 00 000	-	4 00 00 000
Hdfc Floating rate income Fund (Market Value ₹.1 00 05 540/-)	3 35 740.59 (NIL)	1 00 00 000	-	-
Invesco Medium Term Bond Fund - Growth (Market Value ₹.7 60 74 379/-) (P.Y. Market Value ₹.6 05 95 652/-)	42 611.56 (37 266.29)	7 50 00 000	5 98 00 000	2 00 00 000
ICICI Prudential Short Term Fund- Growth (Market Value ₹.5 03 12 131/-) (P.Y. Market Value ₹.4 00 00 000/-)	13 68 393.40 (11 62 098.17)	5 00 00 000	4 00 00 000	-
ICICI Prudential Banking & PSU Debt Fund- Growth (P.Y. Market Value ₹. 2 00 57 483/-)	NIL (10 72 443.56)	-	2 00 00 000	-
ICICI Prudential Liquid Fund- Growth (Market Value ₹.10 00 73 363/-)	3 96 128.55 (NIL)	10 00 00 000	-	-
IDFC Ultra Short Term Fund- Growth	NIL (NIL)	-	-	2 00 00 000
IDFC Credit Opportunities fund-Growth (Market Value ₹.53 19 100/-)	5 00 000.00 (NIL)	50 00 000	-	50 00 000
IDFC SSIF Medium Term Fund- Growth (P.Y. Market Value ₹. 3 99 00 000/-)	NIL (14 63 226.80)	-	3 99 00 000	-



**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017

Particulars	No. of Units	( ₹ )	
		As at December 31, 2017	As at December 31, 2016
AXIS MF - Treasury Advantage Fund -Growth (Market Value ₹. 1 00 20 518/-)	5 159.54 (NIL)	1 00 00 000	-
ABSL Banking & PSU Debt Fund- Growth (Market Value ₹. 13 50 34 400/-)	26 26 927.83 (NIL)	13 50 00 000	-
DSP Black Rock Ultra Short Term Fund- Growth (P.Y.Market Value ₹. 2 00 03 441/-)	NIL (17 20 563.31)	-	2 00 00 000
DSP Black Rock Liquidity Fund- Growth (P.Y.Market Value ₹. 99 34 036/-)	NIL (4 342.20)	-	99 00 000
		<b>60 60 25 632</b>	<b>53 48 54 460</b>
			<b>30 32 95 708</b>

\*The Aggregate Market Value of Quoted Investments as on December 31, 2017 was ₹.61 04 96 291/- whereas on December 31, 2016 it was ₹. 53 79 03 664/- and as on March 31, 2017 it was ₹. 30 47 17 521/-

\*The Aggregate Provision of Diminution in value of investment is NIL

\*Valued at Lower of Cost or Fair Market Value.

**12 Trade Receivables**

Particulars	( ₹ )	
	As at December 31, 2017	As at December 31, 2016
<b>Outstanding For a Period of Less than Six Months from the Date They are Due for Payment</b>		
Secured, Considered Good	20 88 240	22 88 125
	<b>20 88 240</b>	<b>22 88 125</b>
<b>Outstanding For a Period of Exceeding Six Months from the Date They are Due for Payment</b>		
Secured, Considered Good	14 83 777	36 28 767
Unsecured, Considered doubtful*	1 36 70 038	1 36 70 038
	<b>1 51 63 815</b>	<b>1 75 98 805</b>
Less : Provision for Bad and Doubtful Debts	1 36 70 038	1 36 70 038
Less : Trade Receivables for Penalties not Accrued	2 29 228	7 60 652
	<b>33 32 789</b>	<b>64 56 240</b>
		<b>35 35 818</b>

\*The provision for Bad and Doubtful Debts against unsecured receivables has been made after considering the Margin amount.

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
Notes Forming Part of Unaudited Balance Sheet as at December 31, 2017

Particulars	( ₹ )	
	As at December 31, 2017	As at December 31, 2016
<b>13 Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Bank Balances with Banks in:		
Current Accounts	1 32 749	4 26 610
Margin and Settlement Accounts	17 101	53 355
Investors Protection Fund Account	35 728	23 189
Price Dissemination Project Account	10 337	10 337
Settlement Guarantee Fund Account	13 570	22 773
Deposits with original maturity of less than 3 months	-	-
Cash on Hand (Including Branch Offices)	13 364	24 954
	<u>2 22 850</u>	<u>5 61 218</u>
<b>Others</b>		
Fixed Deposits	15 40 53 204	6 89 83 000
For Settlement Guarantee Fund	6 91 00 000	6 97 00 000
Others *	22 31 53 204	13 86 83 000
	<u>22 33 76 054</u>	<u>13 92 44 218</u>
	<u>31 82 46 577</u>	<u>22 30 00 000</u>

\*Fixed Deposit Receipts (original maturity of more than 12 Months) of ₹ 1 98 00 000/- (P.Y. ₹ 2 00 00 000/-) were under the lien of Bank against which Overdraft Facility of ₹ 89 10 000/- (P.Y. ₹ 90 00 000/-) was obtained for Margin Account and ₹ 89 10 000/- (P.Y. ₹ 90 00 000/-) was obtained for Settlement Account.

Particulars	( ₹ )	
	As at December 31, 2017	As at December 31, 2016
<b>14 Short Term Loans and Advances</b>		
<b>Unsecured, Considered Good</b>		
Security Deposits	5 15 331	5 15 331
Prepaid Expenses	4 67 472	7 28 241
Others	41 46 258	40 56 133
	<u>51 29 061</u>	<u>52 99 705</u>
<b>15 Other Current Assets</b>		
Particulars	As at December 31, 2017	As at December 31, 2016
Interest Accrued but not Due	1 26 94 710	49 75 317
	<u>1 26 94 710</u>	<u>49 75 317</u>
	<u>36 30 824</u>	<u>36 30 824</u>

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
**Notes Forming Part of Unaudited Statement of Profit & Loss for the period ended December 31, 2017**

Particulars	April - 2017 to		April - 2016 to		April - 2016 to	
	December - 2017	December - 2016	December - 2016	March - 2017	March - 2017	March - 2017
<b>16 Revenue from Operations</b>						( ₹ )
Transaction Charges	1 48 18 087	1 15 21 461		1 88 05 719		
Annual Subscription Fees	5 98 192	7 35 000		7 35 000		
Admission Fees	1 00 000	1 00 000		1 00 000		
VPN (Band Width) Charges	36 000	54 000		58 500		
Other Miscellaneous Operational Income	2 87 049	59 128		17 37 776		
	<b>1 58 39 328</b>	<b>1 24 69 589</b>		<b>1 94 36 995</b>		
<b>17 Other Income</b>						( ₹ )
Profit on Redemption of Mutual Funds	2 57 07 517	2 70 50 138		3 71 27 230		
Interest Income	1 29 00 696	2 12 58 173		2 56 10 079		
Interest on Refund of Income Tax	-	-		66 92 757		
Miscellaneous Income	3 06 057	1 32 681		1 94 302		
Central Server Site Maintenance Charges	4 00 000	-		4 00 000		
Profit on Sale of Fixed Assets	-	-		96 000		
	<b>3 93 14 270</b>	<b>4 84 40 992</b>		<b>7 01 20 357</b>		
<b>18 Employee Benefit Expenses</b>						( ₹ )
Salaries	2 79 94 894	2 62 75 542		3 53 06 256		
Contribution to Provident Fund & Other Funds	54 91 910	32 72 577		64 34 115		
Staff Welfare	2 24 109	71 974		93 582		
	<b>3 37 10 913</b>	<b>2 96 20 093</b>		<b>4 18 33 953</b>		

**NATIONAL MULTI-COMMODITY EXCHANGE OF INDIA LIMITED**  
**Notes Forming Part of Unaudited Statement of Profit & Loss for the period ended December 31, 2017**

Particulars	April - 2017 to		April - 2016 to		April - 2016 to	
	December - 2017	December - 2016	December - 2016	March - 2017	March - 2017	March - 2017
<b>( ₹ )</b>						
<b>19 Operating and Other Expenses</b>						
Particulars						
<b>Expenses under Broad head Considered as Material:</b>						
VPN AMC and Trading Related Charges	18 99 345	10 23 511	14 60 689			
Travelling and Conveyance Expense	17 54 466	21 82 016	30 53 345			
Legal Charges	21 84 231	24 54 507	77 98 900			
Professional Charges	68 59 529	1 06 29 511	1 28 23 256			
Rent Charges	8 57 126	8 40 580	11 22 818			
Colocation Charges	4 83 626	8 76 091	10 69 174			
Corporate Social Responsibility Expenses			14 950			
Directors' Stilling Fees	12 38 525	12 21 813	15 83 613			
Contribution to Investor Protection Fund for F.Y.2011-12		17 72 427	17 72 427			
Contribution to Investor Protection Fund	1 48 182	1 15 215	1 68 058			
Payment to Auditors (Refer foot note below)	3 42 902	3 43 986	4 66 486			
Internal Audit Fees	1 45 250	1 44 720	1 94 970			
Electricity Expense	7 02 741	7 41 430	9 79 780			
Office Expense	6 83 493	6 76 785	9 28 932			
Telephones and Postage Expense	4 59 431	4 71 766	6 59 269			
SEBI Annual Charges	7 50 000	7 50 000	20 00 000			
Seminar & Conference Expense	86 923	50 250	68 110			
Printing and Stationery Expenses	1 15 685	91 918	1 61 042			
Meeting Expense	58 600	1 14 775	1 26 035			
Insurance Premium	1 12 723	1 54 654	2 33 187			
Rates and Taxes	99 954	98 704	98 704			
Repairs and Maintenance Expense	1 52 069	1 74 699	2 33 902			
Advertisement and Marketing Expense	1 79 484	2 81 457	3 64 412			
Loss on Sale of Fixed Assets / Balance Written off of Fixed Asset	11 431	-	-			
Members Audit Inspection Charges	3 95 250	5 87 994	13 55 617			
Other Expenses	10 43 945	12 19 274	16 74 970			
	<b>2 07 62 911</b>	<b>2 70 28 283</b>	<b>4 04 12 666</b>			
<b>( ₹ )</b>						
<b>Foot Note : Payment to Auditors :</b>						
Particulars						
Statutory Audit Fees	2 62 500	2 62 500	3 50 000			
Tax Audit Fees	75 000	75 000	1 00 000			
Reimbursement of Expenses	5 402	6 486	6 486			
Other Services	-	-	10 000			
	<b>3 42 902</b>	<b>3 43 986</b>	<b>4 66 486</b>			



**PROXY FORM**

**Indian Commodity Exchange Limited**

CIN - U67120GJ2008PLC099142

Registered Office: 1<sup>st</sup> Floor, Office - 109, Nodh No. – 1158 to 63/65/9, Hat Faliyu,  
Mahidharpura, Surat – 395003.

Tel.: 0261-3009960

Website: [www.icexindia.com](http://www.icexindia.com); E-mail: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**

**BENCH, AT AHMEDABAD**

**COMPANY APPLICATION (CAA) NO. 105 OF 2017**

In the matter of the Companies Act, 2013

And

In the matter of Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited ('NMCE' or 'the Amalgamating Company') with Indian Commodity Exchange Limited ('ICEX' or 'the Amalgamated Company') and their respective shareholders ('Scheme')

And

In the matter of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

**Indian Commodity Exchange Limited**

....the Amalgamated Company

Name of the member(s):
Registered address:
E-mail ID:
Folio No. /DP ID & Client ID*:
No. of share(s) held:

\* Applicable in case shares are held in electronic form.

I/We, being the member(s) of [\_\_\_\_\_] equity shares of the **INDIAN COMMODITY EXCHANGE LIMITED**, being the Amalgamated Company abovenamed, do hereby appoint

(1) Name : Email ID:

Address :

Signature : ,

or failing him

(2) Name : Email ID:

Address :

Signature : ,

or failing him

(3) Name :

Email ID:

Address :

Signature :

as my / our proxy, to act for me/ us at the National Company Law Tribunal convened Meeting of the Equity Shareholders to be held on Friday, April 6, 2018 at 11:30 A.M. at, Indian Commodity Exchange Limited, 1st Floor, Office - 109, Nodh No. – 1158 to 63/65/9, Hat Faliyu, Mahidharpura Surat – 395003, for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited with Indian Commodity Exchange Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 at such meeting and any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s).....(here, if for, insert ‘FOR’, or if against, insert ‘AGAINST’ and in the latter case strike out the words ‘EITHER WITH OR WITHOUT MODIFICATIONS’ after the word resolution) the said arrangement embodied in the Scheme and the resolution, either with or without modification(s)\*, as my/our proxy may approve.

\*strike out whatever is not applicable

Signed this \_\_\_ day of \_\_\_\_\_, 2018



Signature of Shareholder(s)

Signature of Proxy Holder(s)

**Notes:**

1. This Form in order to be effective must be duly stamped, completed and signed and must be deposited at the registered office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Proxy Form should be initialled.
4. In case of multiple proxies, the Proxy later in time shall be accepted.
5. Proxy need not be shareholder of the Company.



**Indian Commodity Exchange Limited**

CIN - U67120GJ2008PLC099142

Registered Office: 1<sup>st</sup> Floor, Office - 109, Nodh No. – 1158 to 63/65/9, Hat Faliyu,  
Mahidharpura Surat – 395003

Tel.: 0261-3009960 Website: [www.icexindia.com](http://www.icexindia.com); E-mail: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)

**ATTENDENCE SLIP**

**NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING ON FRIDAY  
APRIL 6, 2018 AT 11:30 A.M. IST**

Folio No. / DP ID & Client ID*	
No. of shares held	

\* Applicable in case shares are held in electronic form.

I/ We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/ We hereby record my presence at the **NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING** of the Equity Shareholders of the Company held on Friday, April 6, 2018 at 1<sup>st</sup> Floor, Office - 109, Nodh No. – 1158 to 63/65/9, Hat Faliyu, Mahidharpura Surat – 395 003 .

Shareholder's / Proxy's name in  
**BLOCK** letters

Signature of Shareholder /Proxy

**Note:** Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall.  
Joint Shareholder(s) may obtain additional attendance slip at the venue of the Meeting.

## MAP OF THE VENUE OF THE MEETING

**Venue:** Indian Commodity Exchange Limited  
Office No. 109, 1<sup>st</sup> Floor,  
Blue Diamond Complex.  
Nodh No. 1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat, Gujarat - 395003.

