MCX/SEC/1357 August 28, 2017

The Dy. General Manager
Corporate Relations & Service Dept.,
BSE Limited
P.J. Towers,
Dalal Street,
Mumbai 400 001

Scrip code: 534091, Scrip ID: MCX

Sub: Submission of Annual Report of the Company for FY 2016-17

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosed please find the Annual Report of the Company for FY 2016-17.

Kindly take the same on record.

For Multi Commodity Exchange of India Limited

Ashwin Patel
Company Secretary

Encl: As above

Enduring Strength Steering Growth

ANNUALREPORT
2016 - 2017

MCX
METAL & ENERGY
Trade with Trust

ENDURING STRENGTH, STEERING GROWTH

"I cannot change the direction of the wind, but I can adjust my sails to always reach my destination"

– Jimmy Dean (1928-2010), American actor, singer and entrepreneur

For the last few years, till about a year back, the Indian commodity derivatives market had been fraught with many challenges which had adversely affected market sentiments. Largely on account of some external factors, the market in general and MCX as the largest commodity derivatives exchange within it, had to face challenges in its growth. Yet, it was also an opportunity for the Exchange to test its resilience and readiness in the face of adversities. By confronting these adversities and emerging stronger, MCX proved its endurance and inherent strength, its two attributes that can surely enable it weather many a rough storm ahead.

The Exchange is now poised to leverage these strengths and steer its growth towards a direction that appears highly promising. A number of policy and regulatory actions in recent times have brought several new opportunities to MCX's doorsteps, opportunities that can unleash an era of significant and sustained growth for not just the Exchange but the market as well. More importantly, these changes have the potential to deepen and widen India's commodity derivatives market and make it more relevant for all classes of market participants.

MCX is cognizant of these opportunities and has embarked on a journey towards a new paradigm characterised by growth, inclusiveness and value creation – not just for itself, but for all its stakeholders.

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CORPORATE INFORMATION

Board of Directors (as on July 13, 2017)

Mr. Saurabh Chandra	Chairman, Public Interest Director
Mr. Amit Goela	Shareholder Director
Mr. Arun Bhargava	Public Interest Director
Mr. Arun Kumar Nanda	Public Interest Director
Mr. Chengalath Jayaram	Shareholder Director
Mr. Hemang Raja	Shareholder Director
Dr. M. Govinda Rao	Public Interest Director
Ms. Madhu Vadera Jayakumar	Shareholder Director
Ms. Padma Raghunathan	Shareholder Director
Ms. Pravin Tripathi	Public Interest Director
Mr. Prithvi Haldea	Public Interest Director
Mr. Subrata Kumar Mitra	Public Interest Director
Mr. Mrugank Madhukar Paranjape	Managing Director and Chief Executive Officer
Mr. Parveen Kumar Singhal	President and Whole Time Director

Company Secretary Mr. Ashwin M. Patel

Statutory Auditors M/s. Shah Gupta & Co., Chartered Accountants

Bankers (including clearing banks)

Axis Bank	Bank of India	Canara Bank
Citi Bank	Corporation Bank	Development Credit Bank
HDFC Bank	ICICI Bank	IndusInd Bank
Kotak Mahindra Bank	Punjab National Bank	State Bank of India
Tamilnad Mercantile Bank	Union Bank of India	Yes Bank

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium, Tower B
Plot Nos. 31 & 32, Gachibowli
Financial District, Nanakramguda
Serilingampally
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2300 1153
Toll Free No.: 1800 345 4001
Email: einward.ris@karvy.com

Registered Office

Multi Commodity Exchange of India Limited
CIN: L51909MH2002PLC135594
Exchange Square, Chakala
Suren Road, Andheri (East)
Mumbai 400 093
Maharastra, India
Tel: +91 22 6731 8888
Fax: +91 22 6649 4151
Website: www.mcxindia.com
Email id: info@mcxindia.com

PROFILE OF ALL BOARD MEMBERS

Mr. Saurabh Chandra, ***Chairman, Public Interest Director***

- Former Secretary to the Ministry of Petroleum and Gas, GOI.
- Former Secretary in the Department of Industrial Policy and Promotion (DIPP).
- Has over 37 years of experience in various assignments, Spent over 17 years in the Secretariat, both with State & Central Govt.; worked in different capacities in the Ministry of Finance, Ministry of Commerce and Industry, Ministry of Chemicals & Fertilizers, in the Government of India.

Mr. Amit Goela, ***Shareholder Director***

- Partner at Rare Enterprises.
- Former AVP (Private Equity) Reliance Capital and CEO at Alchemy Share & Stock Brokers.
- Has over 21 years of experience in Capital Market.

Mr. Arun Bhargava, IRS (Retd.), ***Public Interest Director***

- Former Chief Commissioner (Central) and Director General of Income Tax (Investigation), Mumbai.
- Former Member of Securities Appellate Tribunal (SAT).
- Over 37 years of experience in Revenue Department.

Mr. Arun Kumar Nanda, ***Public Interest Director***

- Presently, Chairman of Mahindra Holidays & Resorts (I) Ltd. and Mahindra Lifespace Developers Ltd and Director of Holiday Club Resorts Oy, Finland.
- Over 40 years of extensive experience with Mahindra Group.
- Has been honoured with various Awards.

Mr. Chengalath Jayaram, ***Shareholder Director***

- Currently on the board of Kotak Mahindra Bank Ltd., as an Non-Executive and Non-Independent Director.
- Former Joint Managing Director of Kotak Mahindra Bank Limited.
- Over 38 years of diverse experience in Financial Sector & related businesses.

Mr. Hemang Raja, ***Shareholder Director***

- Former, Country Advisor – India to Asia Growth Capital Advisors (AGCA) for managing India Investments.
- Former, MD and Head India at Ritchie Capital, a part of Credit Suisse Private Equity.
- Has over 33 year of experience in Financial Industry.

Dr. M. Govinda Rao, ***Public Interest Director***

- Presently, Emeritus Professor at National Institute of Public Finance and policy (NIPFP).
- Former Member – 14th Finance Commission & Director of NIPFP.
- Former Member – Economic Advisory Council to the Prime Minister.

Ms. Madhu Vadera Jayakumar, ***Shareholder Director***

- An independent investor in Financial Markets.
- Former, Founder CEO of E-Commodities Limited.
- Has over 13 years of experience in Financial Services Industry.

Ms. Padma Raghunathan, ***Shareholder Director***

- Presently working as Chief General Manager in Finance Department at NABARD.
- Has closely worked with the community-centred institutions engaged in upliftment of livelihood prospects of rural poor.

Ms. Pravin Tripathi, ***Public Interest Director***

- Former Member of: Competition Appellate Tribunal – Airport Economic Regulatory Authority Appellate Tribunal.
- Former Deputy Comptroller & Auditor General of India & Chairperson Audit Board.

Mr. Prithvi Haldea, ***Public Interest Director***

- Founder Chairman of Praxis Consulting & Information Services Pvt. Ltd. (Prime Database).
- Worked at senior positions in the corporate sector in the areas of exports, consulting and advertising.

Mr. Subrata Kumar Mitra, ***Public Interest Director***

- Currently on the Board of several reputed companies as an Independent Director & Advisor to few Private Equity Funds.
- Previously associated with Aditya Birla Group, GIC Mutual Fund, Standard Chartered & American Express Bank at various capacities.
- Over 39 years of extensive management experience in Financial Sector.

Mr. Mrugank Madhukar Paranjape, ***MD & CEO***

- Over 25 years of diverse experience in Corporate Banking, Securities Markets, Technology, Asset Management, and Custodial Services.
- Former Managing Director of Deutsche Bank A.G.
- Held senior management roles in international organisations including Prudential ICICI AMC and Citibank.

Mr. Parveen Kumar Singhal, ***President & Whole Time Director***

- Over 39 years of diverse corporate experience in financial services, banking/financial institutions, securities and commodities markets space.
- Former Executive Director & CEO of Delhi Stock Exchange.
- Former Division Chief of SEBI and Director with Forward Markets Commission (FMC).

LETTER FROM THE CHAIRMAN

Dear Shareholder

The year 2016-17 was a year of challenges for the commodity markets. I am happy to inform you that MCX was able to navigate the turbulence successfully. The operational and financial results of your Exchange demonstrate this.

For the financial year ended March 31, 2017, MCX's total income stood at ₹375.87 crore vis-à-vis ₹351.40 crore for the previous financial year. Likewise, the Earnings before interest, depreciation and tax for 2016-17 was ₹196.19 crore, against ₹191.75 crore for the financial year 2015-16. The profit for the year stood at ₹126.28 crore, representing a growth of 11% over that of ₹113.78 crores in 2015-16. On the operational side, MCX's Average Daily Turnover grew from ₹21,923 crore to ₹22,560 crore, (single side). Thus the total turnover of the Exchange clocked ₹58.66 lakh crore in FY 2016-17, compared with ₹56.34 lakh crore in the previous year. As a result, your Exchange could maintain and consolidate its market share which stood at 90.37 per cent for the year 2016-17.

This performance has to be evaluated in the light of serious challenges faced by the Exchange during the year. These includes, a prolonged strike by jewellers, continuously depressed prices of many commodities, uncertainties in physical commodity markets following demonetisation. In Addition commodity market witnessed volatility consequent to the decision of U.K. to exit the European Union, results of U.S. presidential election and bouts of geo-political tensions. These events tested the endurance and capacity of your Exchange's systems to withstand external shocks. I am happy to say that the robustness of MCX's technology and processes ensured that such unanticipated bouts of trades was handled efficiently and effectively. The absence of any incidence of default or trading glitch supports this optimism that MCX will continue its position of leadership in the Commodities market. However, none of this would have been possible without the trust and confidence that all stakeholders' have reposed in the Exchange.

While we speak of our achievement in all humility, we also consider them as stepping stone for a promising future. A slew of policy reforms and regulatory decisions over the past few months has laid the foundation for creating a vibrant commodity derivatives market in India. SEBI announced the much awaited guidelines on product design and risk management framework on commodity Options, as also permitted the participation of Category III Alternative Investment Funds (AIFs) in the commodity derivatives market. Similarly, in pursuance of the announcement made by the Hon'ble Union Finance Minister in the Budget 2017 towards integration of intermediary services in securities and commodity derivatives market, the Government of India removed the proviso in the Securities Contracts (Regulation) Rules 1957 which required members of stock exchanges to set up a separate company, in order to conduct business in commodity derivatives.

The introduction of a unified Goods and Service Tax (GST), replacing a large number of state and union-level indirect taxes is another significant reform measure with positive ramifications for the commodity markets. GST envisages a "One India – One Tax – One Market" and with removal of a large number of differential state-specific taxes, a larger pan-India market for commodities can be created. Apart from enabling seamless transportation of commodities across state borders, GST will also help in building efficient linkages between the spot and derivatives markets and enhance the relevance of exchange discovered prices to the entire ecosystem.

In addition to the above policy reforms, a number of regulatory decisions which are expected to strengthen the commodity derivatives market and prepare it for the next level of growth. During the year, SEBI undertook policy measures to improve market transparency, risk management, market accessibility and participation, investor protection and synchronizing practices at commodity derivatives exchanges with those at stock exchanges.

I am happy to inform that, during the year, MCX Clearing Corporation Limited (MCX CCL) applied to SEBI seeking recognition to transfer the functions of clearing and settlement of trades to itself as a separate clearing corporation.

These measures, along with a series of training, education and outreach programmes undertaken have placed the Exchange in a sound position to negotiate for the next wave of growth in the market. Our constant endeavour is to raise the Exchange's internal risk management systems and trading/ clearing processes to be on par with the best-in-class standards, while externally, market participants are being prepared for trading in likely to be introduced derivative products.

Given the growth trajectory of the Indian economy and the positive policy actions in the recent past, the future is replete with opportunities for rapid growth of the commodity derivatives market. I would like to assure you that we are committed to use these opportunities for steering your Exchange and the market to higher growth and inclusiveness, for serving the public good. As in the past, I seek your continued support to enable us convert the emerging opportunities into tangible achievements for taking the Exchange to greater heights.

Saurabh Chandra
Chairman

July 13, 2017

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present the Fifteenth Annual Report on the business and operations of your Company along with the Audited Statement of Accounts and the Auditors' Report for the financial year (FY) ended March 31, 2017 ('Year under review'), highlights of which are given below:

FINANCIAL RESULTS

(₹ in Lakh)

Particulars	Standalone		Consolidated	
	2016-17	**2015-16**	**2016-17**	**2015-16**
Total Income	37,587	35,140	37,634	35,184
Total Operating Expenditure	17,967	15,965	17,981	15,966
Profit before Interest, depreciation, exceptional items and tax	**19,620**	**19,175**	**19,653**	**19,218**
Less: Depreciation	1,857	2,459	1,857	2,459
Less: Interest	20	30	20	30
Profit before exceptional items and tax	**17,742**	**16,686**	**17,776**	**16,729**
Less: Exceptional Items	–	563	–	563
Profit after exceptional items but before tax	**17,742**	**16,123**	**17,776**	**16,166**
Less: Provision for tax	5,115	4,746	5,117	4,703
Profit after tax	**12,627**	**11,378**	**12,659**	**11,463**
Less: Other Comprehensive Income (net of tax)	1,852	4,670	1,859	4,573
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	**10,775**	**6,708**	**10,800**	**6,890**
Earnings per share				
a. Basic (₹)	**24.84**	**22.39**	**24.91**	**22.56**
b. Diluted (₹)	**24.83**	**22.38**	**24.89**	**22.55**

The Ministry of Corporate Affairs (MCA), vide its notification dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Your Company falls within its ambit and in compliance with the same, the Company has, effective April 01, 2016 (transition date being April 01, 2015), adopted Ind AS prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder.

RESULTS OF OPERATIONS AND STATE OF COMPANY AFFAIRS

Several international and national events occurred during the course of the year under review, which had significant impact on various segments of the commodities market including your Company. Prices of Bullion went up early in the year, but subsided as the year progressed. While Brexit, global economic concerns and loose monetary policy of major central banks helped gold prices rise, the US Fed's hike in interest rates and the US election subdued prices of the yellow metal. The demonetization of higher currency notes in India, coupled with low official gold purchases by the Reserve Bank of India (RBI), traditionally one of world's largest buyers of the metal, further aided the decline in gold prices. As for Crude Oil, the understanding between OPEC and some non-OPEC countries on oil supply cuts led to volatility in its prices. Further, mine closures, improved demand sentiments from China and US President – Donald Trump's plans to rebuild American infrastructure helped base metals prices to rise.

Given the backdrop of the global market, the operating environment for your Company during the year was challenging. However, the average daily turnover during FY 17 was ₹225.60 billion (single side) as against ₹219.23 billion during FY 16, with a total of 0.28 million clients trading on the Exchange. The total turnover of commodity futures traded on your Exchange stood at ₹58,656.61 billion in FY 17 as against ₹56,341.94 billion during FY 16, registering an increase of 4.11%. The market share of your Company amongst all national exchanges offering commodity derivatives trading increased to 90.37% in FY 17 from 84.30% in FY16. Your Company has national reach with 689 members who have, applied for SEBI registration, having 49,791 Authorised Persons, operating through 6,31,270 terminals including Computer to Computer Link (CTCL) across 1,284 cities / towns across India as at March 31, 2017. The number of contracts traded on your Exchange in FY17 stood at 222 million as compared with 234 million for FY16, a decrease of 5.13%.

For FY17, your Company's (standalone) total income stood at ₹37,587 Lakh as compared to ₹35,140 Lakh during FY16, mainly attributable to increase in Average Daily Turnover (ADT) from ₹21,923 crores to ₹22,560 crores and increase in Average Realization Rate (ARR) from ₹1.80 to ₹1.99. The operating income during the year under review was ₹25,944 Lakh as against ₹23,493 Lakh in FY16. Other income during FY17 was ₹11,643 Lakh as against ₹11,648 Lakh in the previous fiscal. The net profit after tax for the year ended March 31, 2017 stood at ₹12,627 Lakh as against ₹11,378 Lakh in FY16. The net worth (including Settlement Guarantee Fund) as at March 31, 2017 stood at ₹1,52,927 Lakh.

There was no change in the nature of business of your Company during the year under review.

Your Company is committed to explore and exploit all opportunities for unlocking the full potential of the Indian commodity derivatives market. During the year under review, your Company commenced futures trading in Castor Seed. With the launch of new contract, your Company has expanded the existing basket of agricultural products being traded on its platform.

Further, the Exchange introduced a facility of disseminating Cotton Prices in Candy in order to cater to participants who want information of Cotton prices in Candy. The Exchange made upward revision in its fee charged to members w.e.f. October 1, 2016.

MCX crude oil futures, MCX crude oil mini futures, MCX natural gas futures and MCX silver micro futures were amongst the top 20 commodity futures and options contracts in the global ranking of commodity futures contracts in Calendar Year 2016 (CY16). (Source: FIA Annual Volume Survey March 2017).

With an aim to seamlessly integrate with the global commodities ecosystem, MCX has entered into strategic alliances with Mozambique Commodities Exchange (BMM) and Singapore Diamond Investment Exchange, in addition to the existing alliances with leading international exchanges such as CME Group, London Metal Exchange (LME), Dalian Commodity Exchange (DCE), and Taiwan Futures Exchange (TAIFEX). MCX has also tied-up with various trade bodies, corporates, educational institutions and R&D centres across the country. These alliances enable your Company in improving trade practices, increasing awareness, and facilitating overall improvement of the commodity market.

REGULATORY DEVELOPMENTS

Post the merger of erstwhile regulator Forward Markets Commission (FMC) with Securities and Exchange Board of India (SEBI), all rules, directions, guidelines, instructions, circulars, etc. issued by FMC or the Central Government were to remain in force for a period of one year from September 28, 2015 or till such time as notified by SEBI. Accordingly, during the year under review, SEBI, with its enhanced powers, brought several reforms strengthening the operational framework and risk management in commodity exchanges, making the commodities market better in terms of integrity and help it going forward. The merger of regulators has changed the landscape of commodity derivatives market in India, paving the path for introduction of new products in commodity derivatives market, and participation of institutions such as banks, mutual funds and insurance companies, which is likely to broad base the commodity market and your Company from a single product Company to be a multi-product Company, thereby further de-risking its business model.

The presence of SEBI as the market regulator is expected to help further increase the confidence in the market and trust amongst all the financial and commodity markets ecosystem, stakeholders and make the commodity markets more vibrant and build a level-playing field across both the commodities and securities markets.

The Regulatory developments, *inter alia*, includes the following:

i) Pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2017 effective from January 12, 2017, SEBI permitted foreign entities like stock exchange, depository, banking and insurance company and commodity derivatives exchange to acquire or hold upto 15% of the paid up capital of a recognized stock exchange.

ii) The provisions of Annual System Audit of Stock Brokers/Trading Members of Stock Exchanges were made applicable to the Members of National Commodity Derivatives Exchanges in order to bring stability and integrity in commodities market.

iii) Trading in commodity derivatives at stock exchanges operating in International Financial Services Centre (IFSC) was permitted.

iv) Pursuant to the stock selection criteria prescribed by SEBI vide its circular dated December 16, 2016, National Stock Exchange of India Limited (NSE) introduced trading on Futures & Options contracts on the securities of MCX w.e.f. April 28, 2017.

v) Also, the Reserve bank of India vide FE.CO.FID/3469/11.01.008/2016-17 dated September 30, 2016 has permitted the increase in Foreign investment limit under Portfolio Investment Scheme for FIIs/RFPIs from default 24% to 34% of the paid-up share capital of the Company, as approved by the shareholders in the previous AGM.

Other regulatory developments are covered elsewhere in this Report under the respective Section.

AMENDMENT TO MEMORANDUM OF ASSOCIATION (MOA) AND ARTICLES OF ASSOCIATION (AOA)

Pursuant to the merger of FMC with SEBI and repeal of Forward Contracts (Regulation) Act, 1952 (FCRA) w.e.f. September 29, 2015, the object clause of the Memorandum of Association and the Articles of Association of your Company was amended to reflect the provisions of Securities Contracts (Regulation) Act, 1956 (SCRA) in place of FCRA and also incorporate applicable provisions as contained in the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) and all other relevant rules, regulations, directions, guidelines, etc. This was done with the approval of SEBI and published in the Official Gazette of India and effective thereon.

SEBI vide circular no. CIR/MRD/DSA/33/2012 dated December 13, 2012 issued circular on procedural norms on Recognition, Ownership and Governance for Stock Exchange and Clearing Corporated. Para 10 of the said circular states that in case the amendments to the Memorandum and Articles of Association are pursuant to Regulation, Circulars etc., issued by SEBI, the same shall not be subject to shareholders approval. Accordingly, shareholders approval was not sought for the above referred amendment to the Memorandum and Articles Association of your Company.

RISK MANAGEMENT AND RISK MANAGEMENT POLICY

As per the directions of SEBI, the commodity derivatives exchanges have to transfer the functions of clearing and settlement of trades to a separate clearing corporation within three years from September 28, 2015. Till then, the exchanges may continue with the existing arrangement for clearing and settlement of trades. Your Company has, proactively, taken effective steps for transferring its clearing and settlement functions to Multi Commodity Exchange Clearing Corporation Limited (MCX CCL), its wholly owned subsidiary, subject to requisite approvals. Your Company has complied with SECC Regulations relating to risk management and has re-constituted its Risk Management Committee for, *inter alia*, identification, measurement and monitoring risk profile of the Exchange. The said Committee as on the date of this Directors' Report comprise of two Independent Directors, one Shareholder Director and an Independent External Expert. A comprehensive Risk Management Policy for managing different risks including business risk, default risk, settlement risk, market risk, legal risk, operational risk, technological risk and delivery risk is in place and being implemented.

Your Company has implemented additional risk management measures like increasing the margins to cover two days "Margin Period of Risk", levy of concentration margins and increasing the delivery margins. Pursuant to SEBI guidelines, your Company has tightened the norms, for members who habitually delay payment of margin and pay-in requirements. Your Company has also increased the Base Minimum Capital norms for members and adopted the guidelines for Default Waterfall Mechanism issued by SEBI.

As a part of risk mitigation plan for avoiding business disruption, your Company has focused on strengthening its core technology infrastructure so that there is no single point of failure. Recently, your Company has shifted its Disaster Recovery (DR) Site from New Delhi to GIFT City in Gandhinagar, Gujarat which has a robust infrastructure and accessibility. Your Company successfully conducted live trading from DR site on April 03, 2017 & 3rd Public mock on April 01, 2017. The Company has strengthened its Business Continuity Plan (BCP) and regularly conducts mock drills to test readiness and effectiveness of IT infrastructure at its Data Centre and also its DR site. For further details relating to risks and their impact on your Company's business, please refer the section titled 'Risk Management' in the Management's Discussion and Analysis forming part of the Annual Report.

INVESTOR (CLIENT) PROTECTION FUND (IPF)

Your Company has established Multi Commodity Exchange Investor (Client) Protection Fund Trust (IPF), to protect and safeguard the interests of investors (clients) by meeting their eligible / legitimate claims on account of default by any trading and clearing member of the Exchange. The interest income received by investment of surplus funds of IPF is used for meeting expenses for imparting investors' (clients) education, conducting awareness programs, undertaking research or such other programs as may be specified by SEBI.

As on March 31, 2017, the corpus of IPF Trust stood at ₹ 15,383 lakh (Provisional). Details of transactions entered into with IPF are disclosed as per Ind AS 24 in Related Party Disclosures of the Financial Statements of your Company.

SETTLEMENT GUARANTEE FUND (SGF)

Pursuant to SEBI directives with respect to the Settlement Guarantee Fund (SGF), stress tests are required to be performed on quarterly basis, to determine the adequacy of balance in SGF. Accordingly, based on the stress tests performed, the balance in SGF was determined to be adequate and hence no contribution to SGF has been made during the year under review.

Settlement related penalties and fines amounting to ₹ 78 Lakh (net of tax) and income of ₹ 863 Lakh (net of tax), earned from earmarked SGF investments were credited to SGF during the year. Accordingly, the cash component of SGF stood at ₹ 17,049 Lakh as at March 31, 2017. Further, the Base Minimum Capital of Members who have not applied for SEBI registration has been released from the SGF.

WAREHOUSING

To cater to the storage requirements of various members of the Exchange and their respective constituents / depositors who are willing to store goods and give delivery on the Exchange platform, your Company has made necessary warehousing and logistics arrangements with Warehouse Service Providers (WSP) / Vault Service Providers (VSP). Your Exchange co-ordinates with WSPs / VSPs and undertakes accreditation of the warehouses / vaults, audit and inspection of warehouses / vaults for safe storage and preservation of goods deposited by various business participants for delivery on its platform.

Currently, your Company operates through three WSPs for facilitating physical deliveries in agricultural commodities, viz., Sohanlal Commodity Management Private Limited, Origo Commodities India Private Limited and Yamada Logistics Private Limited. As on March 31, 2017, your Exchange has accredited 24 warehouses of these three WSPs. Out of the 24 warehouses, 12 warehouses are registered with the Warehousing Development & Regulatory Authority (WDRA) and 12 warehouses are in different stages of registration. The warehouses, as on the date of this Report, are located at Jalgaon, Jalna, Yavatmal in Maharashtra, Kadi, Rajkot, Mundhra in Gujarat, Sirsa in Haryana and Adilabad in Telangana for Cotton Bales, Vandanmedu in Kerala for Cardamom, Kadi and Deesa in Gujarat for Castor Seed and Barabanki and Chandausi in Uttar Pradesh for Mentha Oil. Your Company has put in place a detailed WSP Policy and a Warehouse Inspection Policy. This is in compliance with the SEBI revised warehousing norms for agricultural and agri processed commodities traded on the National Commodity Derivatives Exchanges.

During the year, the highest number of Cotton bales stored was recorded as 85200 bales of 170 kg each; Mentha Oil drums was recorded as 17286 drums of 180 kg each, and the number of bags of cardamom and castor seed were recorded as 712 bags of 50 kg each and 1485 bags of 75 kg each, respectively, in the Exchange accredited warehouses. Further, the highest value of Gold (including all of its variants) stored was ₹ 503.792 Cr while that of Silver was recorded as ₹ 492.602 Cr in the Exchange accredited vaults.

As Lemuir Secure Logistics Pvt. Ltd, the vault service provider, expressed its intention to stop bullion vaulting operations, your Company decided to switch over and avail the services of Sequel Logistics Private Limited as the new vault service provider w.e.f. February 17, 2017 for facilitating physical deliveries in bullion. The vaults of this agency are located at Ahmedabad, Mumbai and New Delhi. Your Company is making serious efforts to bring in more credible and large players as vault service providers, Warehouse Service Providers and Assayers. Your Company is also working on building a comprehensive e-warehousing software. You may also refer section titled 'Warehousing' appearing in the Management Discussion and Analysis forming part of the Annual Report.

TRAINING AND EDUCATION

The Training and Education Division has the following key objectives:

(a) facilitation of structured learning of commodity trading to the community at large and investors in particular; and

(b) augmentation of business development and product top lines through training of various market participants.

To achieve the said objectives, your Company in FY 17, registered 1429 candidates for the MCX Certified Commodity Professionals (MCCP) to help the ecosystem. In conjunction with the Business Development and the Product teams, the Company held over 50,000 man hours of trainings for traders, farmers, students, bankers, teachers etc. The team conducted 103 programs on sensitizing the community on Options in Commodities, given the imminent launch of the same. The team has hosted and trained 5 International delegations and 30 students and corporate delegations to help them understand the operations of a commodity exchange. Your Company has conducted 27 awareness programs and 3 Faculty Development Programs. Also, your Company has entered into MOUs with 11 Educational Institutions. The team is also in the process of introducing new methods to reach the public through webinars, vernacular programs and mobile learning aids. Your Company aims to increase its annual trainings to 100,000 man hours in the coming year.

SHARE CAPITAL

There has been no change in the share capital of your Company during the year under review. As on March 31, 2017, the paid-up share capital of your Company stood at ₹5,100 Lakh comprising 50,998,369 Equity shares of ₹10 each fully paid.

Your Company has, during the year under review, neither issued any Equity shares with differential voting rights nor any shares (including sweat equity shares) to its employees under any scheme save and except transfer of shares by the ESOP trust to eligible employees pursuant to the Employee Stock Option Scheme (ESOP 2008).

TRANSFER TO RESERVES

For the year ended March 31, 2017, your Directors do not propose to transfer any amount to the General Reserve. An amount of ₹95,670 Lakh is proposed to be retained as surplus in the statement of Profit and Loss Account under the heading 'Reserves and Surplus'.

DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

As per the Dividend Distribution Policy of the Company, the Board, considering various parameters as mentioned in the Policy, shall endeavor to maintain a dividend pay-out (interim, if any, and final, put together) in the range of 30 to 50 per cent of profits after tax (PAT) every financial year on the standalone financials.

Considering the financial statements for FY 17 and particularly in view of the fact that the Company has adequate cash at its disposal, with no immediate cash outflow requirement, coupled with no specific investment in the horizon, resulting in significant outflow of cash resource, your Directors have recommended, a final dividend of ₹15 per Equity share (150%), as against ₹6.50 per share (65%) for the FY 16, on a face value of ₹10 per share aggregating to ₹7,650 Lakh, subject to approval of shareholders at the ensuing AGM.

The outflow on account of the proposed dividend and tax thereon aggregates to ₹9,207 Lakh (including the Dividend Distribution Tax of ₹1,557 Lakh), being a payout of 73% of the profit after tax for the year ended March 31, 2017.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the SEBI Listing Regulations, 2015), the Board at its meeting held on August 10, 2016, amended the existing Dividend Distribution Policy. The revised policy is attached as **Annexure I** to this Report. The same is also available under the weblink https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/dividend_distribution_policy_re.pdf?sfvrsn=2

DEPOSITS

Your Company had not invited any deposits from the public, and as such, no amount of principal or interest related thereto was outstanding as on the date of the Balance Sheet i.e. March 31, 2017.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Your Company has, during the year under review, not given any loans, guarantees or provided security and has not made any investments in any body corporate in excess of limits specified under Section 186 of the Companies Act, 2013.

Pursuant to the Consent Terms between the Company and Metropolitan Stock Exchange of India Ltd. (MSEI) filed with and taken on record by the Hon'ble Bombay High Court, the Company has since received necessary approval and no objection from SEBI for conversion of warrants of MSEI into its Equity Shares. Accordingly, the Company vide its letter dated September 29, 2016 to MSEI has exercised the conversion right of 26,51,77,600 warrants issued as per the Scheme of Reduction cum Arrangement into 26,51,77,600 Equity shares of ₹1 each. The Equity shares have since been allotted and credited to demat account of the Company on October 3, 2016. As per the consent terms, an amount of ₹15,07,40,072/- has been received on October 14, 2016 towards balance 15,07,40,072 warrants.

Investment in CDSL led Repository: The Board at its meeting held on January 13, 2017 approved the investment, in one or more tranches, of an amount not exceeding ₹12 crores by way of subscription at par basis, to acquire 24% Equity stake in the CDSL led commodity repository proposed to be set up for creation and management of electronic Negotiable Warehouse Receipts.

CONSOLIDATED FINANCIAL STATEMENT

Your Company has, in accordance with Section 129(3) of the Companies Act, 2013, prepared consolidated financial statements, consolidating its financials together with its wholly owned subsidiary company, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL). The audited consolidated financial statements have been prepared on the basis of the related Consolidated Financial Statements which is in accordance with the requirements of the Ind AS prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India and forms part of this Annual Report.

SUBSIDIARY

Multi Commodity Exchange Clearing Corporation Limited: MCXCCL, a wholly-owned subsidiary of your Company, was set up for having a separate clearing house to provide services such as clearing and settlement of trades and guaranteeing counter party risk. As of March 31, 2017 the company's paid-up capital is ₹6 crores. As on date, MCXCCL has not commenced business. In terms of SEBI circular dated November 26, 2015, commodity derivatives exchanges shall transfer the functions of their clearing and settlement of trades to a separate clearing corporation within three years (i.e. September 27, 2018). Till then, the exchanges may continue with the existing arrangement for clearing and settlement of trades.

Your Company has initiated the process to operationalize MCXCCL. MCXCCL has made an application dated September 30, 2016 to SEBI for recognition of the company as Clearing Corporation under Regulation 4 of the SECC Regulations.

The Board of your Company, at its meeting held on June 30, 2016, accorded it approval to make an investment, in one or more tranches, by way of subscription to the Equity shares of the face value of ₹10/- each in MCXCCL, for cash at par, an amount not exceeding ₹150 crores, for operationalising MCXCCL in line with the requirements stipulated by SEBI for clearing corporations.

SME Exchange of India Limited: SME Exchange of India Limited (SME), a subsidiary of your Company which was set up to provide a platform for transacting, clearing and settlement of trades in small and medium enterprises segment is under the process of members' voluntary winding up.

The requisite formalities for application of winding up of the Company has been completed. The Registrar of Companies, on May 30, 2017, has approved the Liquidators statement showing the manner in which the winding up has been conducted and the property of SME has been disposed off. The Official Liquidator shall issue the final report on winding up of the SME after receiving the No Objection Certificate from the Registrar of Companies and the Assessing Officer, Income Tax department.

During the year under review, there have been no companies which have become or have ceased to be the subsidiaries or associate companies of your Company. Further, neither the Managing Director & CEO nor the Whole-time Director of your Company receives any remuneration or commission from any of its subsidiary.

A report on the performance and financial position / salient features of the subsidiary as per the Companies Act, 2013 is provided as **Annexure II**.

In accordance with Section 136(1) of the Companies Act, 2013, the financial statements including consolidated financial statements and all other documents required to be attached thereto and audited annual accounts of MCXCCL, the subsidiary company are available on our website under the weblink https://www.mcxindia.com/investor-relations. Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary company may write to the Company Secretary at the Company's registered office. Copies of the annual accounts of your Company and of its subsidiary company would be kept at the registered office of your Company for inspection by any shareholder.

MANAGEMENT'S DISCUSSION AND ANALYSIS STATEMENT

Management's Discussion and Analysis Statement, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms a part of this Annual Report.

INITIATIVES AND OUTLOOK

During the year, SEBI undertook policy measures to improve market transparency, risk management, market accessibility, participation, and investor protection. With a view to synchronise practices at commodity derivatives exchanges with those at stock exchanges, a series of regulatory initiatives were effected in the market by SEBI. The measures taken by SEBI, RBI and the Government of India in the area of commodity derivative markets are listed below:

i. Additional risk management norms like enhancement in initial margins to cover atleast a Margin Period of Risk (MPOR) of 2 days for all commodity derivatives contracts, mechanism for determining the Delivery Period Margin, Concentration Margins, default waterfall mechanism, liquidation mechanism in the event of default amongst others, were introduced.

ii. Revised warehousing norms were issued for agricultural and agri-processed commodities.

iii. Six new commodities for futures trading viz., Diamond, Brass, Pig Iron, Eggs, Cocoa, Tea were added to the list of commodities notified under SCRA.

iv. Bullion was allowed to be kept as collateral upto a maximum of 30% of total liquid assets (TLA) of a clearing member (CM). As per the modified conditions, "Total commodities collateral for any CM shall not exceed 30% of the TLA of the CM, out of which non-bullion collateral shall not exceed 15%".

v. Circulars were issued to consolidate and update norms with regards to various policies like Daily Price Limits, Position Limits, Position Limits for Hedgers, Spot Price Polling Mechanism, Transaction Charges, Short-collection of margin from clients by members, Delivery Procedures, etc. prescribed by the erstwhile regulator, FMC.

vi. International Organisational of Securities Commissions (IOSCO) Principles for Financial Market Infrastructures (PFMIs) were made applicable to Commodity Derivatives Exchanges having annual turnover of more than INR 5 lac crore in previous financial year.

vii. Detailed guidelines were issued for determining the eligibility, retention and re-introduction of derivative contracts in commodities.

viii. RBI vide circular dated September 14, 2016 set up a working group to review the guidelines for hedging of commodity price risk by residents in the overseas markets during the development phase of our commodity derivative market.

ix. To mitigate the settlement risk, Settlement Guarantee Fund and Stress Testing methodology was prescribed.

x. Guidelines were issued for simplification of account opening process and use of Central KYC Records.

xi. Guidelines were issued for sponsorship of programmes in media channels and media interaction.

xii. Exchanges were allowed to decide trading holidays among themselves.

xiii. Price dissemination was mandated through SMS and other electronic media.

xiv. Mandatory requirement for PAN in Unique Client Code was reiterated.

xv. Certain modifications in contract specifications at Exchange level were permitted.

xvi. Portfolio Management Services (PMS) was prohibited in Commodities markets.

xvii. The guidelines for Algorithmic Trading and prohibited Colocation were re-notified.

OPPORTUNITIES FOR THE COMPANY

Your Company remains committed to explore new opportunities being charted out by the regulators and government. Entry of institutional participants, introduction of new products, efforts for integration of commodity spot and derivative markets, integration of financial markets and commencement of GST regime are opportunities, for which your Company made preparations to reap their full potential. In the last one year, there have been significant movement in each of these policy initiatives, viz. discussions by regulators with stakeholders, floating of consultation papers, approval by Board of the regulator, announcements by the government, etc.

Your Company opened a new office at GIFT City, Gandhinagar measuring over 22,600 sq ft, which was inaugurated by Shri Vijay Rupani, Hon'ble Chief Minister of Gujarat on January 31, 2017. The office houses the Exchange's Business Continuity (BC) and Disaster Recovery (DR) centre and a training and education facility.

During the year, your Company signed a Memorandum of Understanding (MoU) with Singapore Diamond Investment Exchange (SDiX), the world's first and only commodity exchange trading in physically settled diamonds for cooperation, in areas such as knowledge sharing and research, standardization of product for Indian markets and enhancing transparency in pricing. The exchanges through this MoU also have agreed to work towards assisting stakeholders in India's diamond industry by introducing international best practices in price risk management and price discovery through innovative spot and derivative market operations. The move will also foster sharing of information between the exchanges.

In September 2016, your Company had signed a MoU with the Mozambique Commodity Exchange (BMM). By entering into the MoU, both Exchanges expressed their intention to facilitate potential collaboration in areas such as sharing of knowledge, research, experiences. BMM aims to develop the Mozambican commodity markets ecosystem consisting of energy, base metals and agricultural products for delivering better value to the stakeholders. Towards this objective, MCX will work with BMM to help Mozambique realize its potential in commodities derivative trading.

During the year under review, as part of our commitment toward financial literacy in commodity derivatives and endeavour to reach out to a larger number of market participants, your Company signed MoUs with 11 educational universities and institutions. These were in addition to the 9 MoUs entered in the previous financial year. The 11 educational institutions are – Mandsaur University (Madhya Pradesh), Marwari University (Gujarat), Vinobha Bhave University (Jharkhand), Lal Bahadur Shastri Institute of Management (Delhi), Navitas Resources Pte. Ltd. (Singapore), Imaticus Learning Pvt. Ltd. (Maharashtra), Loyola Institute of Business Administration (Tamil Nadu), EduedgePro Pvt. Ltd. (Maharashtra), Symbiosis Centre for Management & Human Resource Development (Maharashtra), Gnanam Business School (Tamil Nadu) and Pondicherry University (Pondicherry). Pursuant to these MoUs Awareness Programmes and Classroom Sessions on Commodity Derivatives were organised with some of these institutions for their students and faculty.

In our efforts to create market awareness on commodity options before the regulatory approval is provided for the launch of contracts, few advanced options programmes in addition to basic commodity option programmes were conducted across the country. These benefitted various ecosystem stakeholders. The Company would continue to conduct such advanced Options programs across the Country, in its endeavor to develop a healthy ecosystem of stakeholders fully prepared for the launch of Options in the near future.

Three eLearning Programmes were launched during the year in Statistical Arbitrage Trading, Python for Commodity Trading and Getting Started with Algorithmic Trading in association with EduedgePro Pvt. Ltd.

The examination of our flagship training and certification programme on commodity markets, MCX Certified Commodity Professional (MCCP) is available in two regional languages – Gujarati and Hindi, besides English. In all, 1,429 candidates enrolled for the MCCP examination and 630 candidates were certified during FY2017.

COMMITMENT TO QUALITY

With a quest to achieve excellence in products and services offered, your Company continues to monitor and maintain its effective and well-crafted Quality Management Framework (QMF). QMF is aligned to the business objectives of the Exchange, and ensures that your Company provides highest quality of service to its members and clients. Your

Company is focused on continually improving its existing robust processes and quality of services. Over the years, your Company has evolved mature processes, which enabled it to reduce unpredictability across various business operations. Your Company successfully cleared the ISO 9001:2008 Surveillance Audit this year, after rigorous process audits across all its key operations. This showcases your Company's dedication and commitment towards sustaining a customer centric by providing a robust Quality Management System.

In line with your Company's vision and commitment of ensuring information security and to build confidence amongst its stakeholders, your Company has developed and implemented simple, effective and robust processes and controls using latest international standard ISO/IEC 27001:2013 on Information Security Management System. It has also deployed a proactive Information Risk Management approach, and carries out risk assessment activities on a periodic basis.

RESEARCH AND DEVELOPMENT

Your Company is constantly undertaking research activities for the development of new products keeping in view emerging policy and regulatory scenarios, global best practices in markets and risk management in an effort to enhance value proposition to stakeholders. After extensive research of the physical markets and stakeholders, the Company commenced futures trading in Castorseed on January 05, 2017. With SEBI permitting options on commodity derivatives, we are in continuous interaction with stakeholders and the regulator to ensure that the design of the contract specifications, risk management measures and settlement mechanisms are in the best interests of the growth and development of the proposed segment of the market. Effective coordination is also being undertaken with regulatory authorities and policy makers for enhancing the utility of the markets to retail and corporate participants in terms of risk management and portfolio diversification.

Extensive research is also being undertaken in association with research institutions of national repute for assessing the socio-economic impact of futures market on the commodity ecosystem and to understand policy changes that would further the growth and development of this market. During 2016-17, your company signed a MoU with the The Institute of Companies Secretaries of India (ICSI) to jointly conduct interactive sessions, faculty development programmes, research, conferences and other activities with the objective of achieving knowledge creation and spreading awareness about the benefits of commodity price risk management. Similarly, Your Company signed an agreement with Indira Gandhi Institute of Development Research (IGIDR) to support and undertake research on contemporary issues of relevance in India's commodity derivatives market.

A number of research studies were undertaken during the year under review. A study of impact of futures markets on the stakeholders of the gold value chain and their hedging practices was taken up with Pahle India Foundation. This was done to understand the participants' views on products, policies and process for making the market stakeholder friendly and economical. The National Institute of Agricultural Economics and Policy Research has undertaken a study on the price linkages between the spot and future markets and the benefits of futures trading in cotton to its ecosystem. 'A Study on the Level of Compliance to Commodity Risk Disclosure Regulations in India & Abroad' had been undertaken by The Institute of Company Secretaries of India – Centre for Corporate Governance, Research & Training, (ICSI-CCGRT) Mumbai, at our request to help understand risk disclosure standards and compliance in India and abroad. The findings of the study are being shared with stakeholders and regulators. IGIDR completed a study on the detrimental effects of the Commodity Transaction Tax (CTT) on the growth and efficiency of the market, as also on government revenue collection. The findings of this study were widely disseminated.

AWARDS

The initiatives for growth and market development taken by your Company have been recognized at various fora by several institutions. Your Company was honoured with the ***'Best Commodity Exchange'*** Award at the Bullion Federation Global Convention organized by the Bullion Federation in Agra during 21st-24th July 2016; and with the ***'Best Exchange of the year in Bullion Industry'*** at the 9th International Gold Summit & Excellence Awards jointly organized by ASSOCHAM, and World Gold Council on September 29, 2016. Your Company was also named ***'Exchange of the Year'*** by ASSOCHAM at their 15th Commodity Futures Market Summit & Excellence Awards on March 01, 2017 and as the ***'Best Exchange – Bullion & Metals'*** by Commodity Participants Association of India (CPAI) at their 5th International Convention on March 18, 2017.

ENVIRONMENTAL RESPONSIBILITY

Given the nature of its operations, your Company has a very low impact on the environment. Notwithstanding this, it is committed to minimal adverse environmental impact through efficient use of natural resources, including electricity, which is critical to the Exchange's technology-driven business. Your Company has an effective Environmental Policy and adheres to it. Your Company believes that in order to meet the objectives of its Environmental Policy, employee commitment is imperative. Thus, your Company through its Corporate Social Responsibility (CSR) team creates awareness amongst employees and encourages them to adopt conservation practices. Your Company cleared the ISO 14001:2004 surveillance audit, and continues to monitor its Environment Management Plan, which is developed on the basis of the Environment Review conducted annually to assess the impact of the Company's activities. Your Company has also developed an e-waste policy for the safe disposal of e-waste from its premises. Its tie-up with authorised e-waste recyclers helps it to dispose its e-waste in an eco-friendly manner.

In order to help employees dispose-off their e-waste in an environment friendly manner, an e-waste drive was conducted at the registered office, in association with CROMA for safe disposal of electronic items like head phones, CD's Hard Disks, etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Board constituted a CSR Committee at its meeting held on December 26, 2013, which has been re-constituted from time to time. The Corporate Social Responsibility Policy guides the Company's CSR approach including but not limited to rural development, women and children empowerment, eradicating hunger and promoting education, health care, sanitation, environment conservation, etc., and the same is available on your Company's web link viz. URL: https://www.mcxindia.com/about-us/csr

As per Companies Act, 2013, all companies having a net worth of ₹500 crore or more, or a turnover of ₹1,000 crore or more or a net profit of ₹5 crore or more during any financial year are required to constitute a CSR committee of the Board of Directors comprising three or more directors, at least one of whom should be an independent director. All such companies are required to spend at least 2% of the average net profits of three immediately preceding financial years on CSR-related activities. Accordingly, the Company was required to spend ₹3.08 crore towards CSR activities. Your Company utilized ₹3.29 crore on CSR activities, which exceeds the prescribed amount.

Your Company views CSR activities as an opportunity to serve the interest of community at large, and promote inclusion, the major plank of your Company's business philosophy. The social initiatives of your Company aims to create an enabling environment by empowering communities. We believe that necessary and timely interventions can make the communities, environment sustainable and improve the socio-economic conditions of the community concerned.

The CSR policy is in line with the activities mentioned under Schedule VII to the Companies Act, 2013 (as amended from time to time). Your Company is implementing and monitoring the CSR activities in letter and spirit, and has, *inter alia,* approved projects for water shed programs in drought prone areas, capacity building and empowerment of women and youth through livelihood skill building training, rehabilitation of children with disabilities, addressing the issue of malnutrition and early learning development requirements of children from the lower economic section, empowering farmers by strengthening the Gramin Suvidha Kendra activities, etc. Your Company, shares the responsibility of meeting the needs of the community through thematic interventions, designed in line with the vision embraced in the CSR policy. Your Company has resolved to engage and motivate employees for active participation in the CSR activities of the Company by initiating various engagement initiatives and has initiated teaching engaged in imparting training to the students in BMC Schools in Mumbai, belonging to socially backward section.

Your Company has initiated the Gramin Suvidha Kendra Programme in 2006. This service to the farmers provides necessary assistance, guidance, and support in agriculture and allied activities to make farming sustainable and profitable. It is a single window service, in association with India Post, designed to empower small and marginal farmers with information about market prices of the locally produced commodities and best practices for enhancing the quality of their produce. Through the Gramin Suvidha Kendra initiative, your Company has empowered the farmers, and supported sustainable agricultural practices for conservation of the environment and saving one of the most critically endangered bird species the Great Indian Bustard Ardeotis nigreceps from extinction.

The details of CSR policy and initiatives adopted by the Company on CSR during the year is available on our website (https://www.mcxindia.com/about-us/csr). The Annual Report on CSR activities under Section 135 of the Companies Act, 2013 is provided in **Annexure III** of this Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, the Annual Report of top 500 listed entities, based on market capitalization shall include the Business Responsibility Report (BRR) describing the initiatives taken by Company from an environmental, social and governance perspective.

As your Company falls within the top 500 listed Companies, the said Regulations are applicable to it. In compliance with the same the BRR forms part of this Annual Report.

Further, your Company has evolved a Business Responsibility Policy, encompassing the broad scope of the initiatives, to be undertaken, to best sub-serve the interest of all the Stakeholders.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return of your Company pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is attached as **Annexure IV** to this Report.

CORPORATE GOVERNANCE

Your Company continues to be committed to good corporate governance aligned with the best corporate practices. The report on Corporate Governance as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the certificate from a Practicing Company Secretary regarding compliance with Corporate Governance norms, forms part of this Annual Report. The report on Corporate Governance also contains the disclosures required under the Companies Act, 2013.

MEETINGS OF THE BOARD

Nine meetings of the Board of Directors were held during FY 17. For further details, please refer to the report on Corporate Governance forming part of this Annual Report.

ETHICS AND GOVERNANCE POLICIES

Your Company adheres to the highest ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, your Company has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes / policies framed and implemented by your Company are Code of Conduct and Code of Ethics, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy / Vigil Mechanism, Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions, Policy for determining Material Subsidiaries, Corporate Social Responsibility Policy, Risk Management Policy, Nomination and Remuneration Policy, Policy for appointment of Independent External Persons on Committees of the Board, Board diversity policy, Dividend Distribution Policy, etc.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have implemented a vigil mechanism through the adoption of Whistle Blower Policy. For further details, please refer to the report on Corporate Governance which forms part of this Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Your Company has formulated the policy on materiality of related party transactions and dealing with related party transactions. The same is uploaded on the website of your Company and may be accessed at the web link: https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/amended_policy_on_related_party_transactions_05may2016.pdf?sfvrsn=2

All related party transactions entered into by your Company, are in the ordinary course of business and at arm's length pricing basis.

All the related party transactions entered into by your Company during the year under review, were placed and approved by the Audit committee and / or by the Board, as applicable, in accordance with the Companies Act, 2013, SEBI Listing Regulations, 2015 and other applicable guidelines / directions from Regulator, if any.

SEBI directions provide that every national commodity derivatives exchange shall credit penalties, other than the settlement related penalties, to its Investor Protection Fund, for all transactions executed on the Exchange. IPF is held in trust and managed by the Trustees, who are appointed as per the provisions of the Trust Deed and the Rules, Bye-Laws and Regulations of the Exchange. The transactions with IPF are regulated in accordance with the regulatory requirements / guidelines issued from time to time and is independently managed. Except for complying with the regulatory requirements, your Company does not have any pecuniary relationship with IPF. However, in view of clarification issued by Institute of Chartered Accountants of India, IPF is being treated as a related party and as such, transactions entered into by your Company with IPF entails a reporting requirement without the need for following other concomitance of the Related Party Transaction Policy.

Pursuant to Section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of material contracts or arrangements with related parties to be reported under Section 188(1) of the Companies Act, 2013 are appended in Form AOC – 2 as **Annexure V** to this Report.

All Related Party Transactions as required under Ind AS 24 – Related Party Disclosures are reported in Note 35 of Notes to Accounts of the standalone and consolidated financial statements of your Company.

DIRECTORS

Your Company being deemed to be a recognized stock exchange under Securities Contract (Regulation) Act, 1956 (SCRA) is, *inter alia*, regulated by SEBI. As mandated by SECC Regulations, the appointment of all the Directors on the Board of your Company is with the approval of SEBI.

As on the date of this Report, your Board comprises of 14 (fourteen) Directors, of which 7 (seven) are Public Interest Directors, 6 (six) are Shareholder Directors (including the President & Whole Time Director) and 1 (one) Managing Director.

"Public Interest Director" under the SECC Regulations means an independent director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role and accordingly, such directors are considered as Independent Directors for adhering compliance with the provisions under the SEBI Listing Regulations, 2015 and Companies Act, 2013.

Your Company has received confirmations from the respective Public Interest Directors to the effect that each of them meets the criteria of independence as prescribed under Regulation (16)(b) of the SEBI Listing Regulations, 2015 and Section 149(6) of the Companies Act, 2013. The nomination / appointment of Independent Directors / Public Interest Directors on the Board of your Company is also in accordance with the eligibility conditions prescribed by SEBI.

Further, all the Directors have confirmed that they are 'Fit and Proper' in terms of the SECC Regulations. Your Company has also obtained affirmation of adherence to Schedule IV of the Companies Act, 2013 and the Code of Conduct of your Company in accordance with the SEBI Listing Regulations, 2015 from all the Directors as applicable.

Your Company has 3 (three) women Directors on the Board as against the stipulation of appointing at least one Woman Director on the Board.

The Board of Directors re-designated Mr. Parveen Kumar Singhal, as the 'President and Whole Time Director' w.e.f. April 01, 2016, to hold such office up to the date of his current contract / service with the Company.

Mr. Mrugank Madhukar Paranjape was appointed as the Managing Director & CEO of the Company for a period of three years w.e.f. May 09, 2016, with the approval of SEBI.

Pursuant to the approval of the Board, the shareholders at their 13th Annual General Meeting (AGM) and SEBI vide its letter dated June 08, 2016, Mr. Hemang Raja was co-opted as the Shareholder Director on the Board of your Company w.e.f. June 30, 2016.

Further, pursuant to the approval of SEBI, Mr. Saurabh Chandra was appointed as the Public Interest Director, w.e.f. July 03, 2016, in place of Mr. Dinesh Kumar Mehrotra whose term expired on July 02, 2016.

Mr. Ajai Kumar and Mr. Manjueshwar Anantha Krishna Prabhu, Shareholder Directors of the Company, were liable to retire by rotation at the 14th AGM of the Company held on September 19, 2016. Mr. Ajai Kumar offered himself for re-appointment where as Mr. Manjueshwar Anantha Krishna Prabhu did not seek re-appointment. The resolution for re-appointment of Mr. Ajai Kumar was not passed with requisite majority and the Board of Directors decided not to fill in the vacancy. Pursuant to the approval of the Board, the Shareholders at their 14th AGM and SEBI, Mr. Chengalath Jayaram was appointed as a Shareholder Director w.e.f. November 25, 2016.

Mr. Prithvi Haldea was appointed as a Public Interest Director for a period of 3 years on the Board w.e.f. October 25, 2016 in the vacancy arising out of the completion of tenure of Mr. G. Anantharaman on October 18, 2016.

Mr. Arun Bhargava was appointed as a Public Interest Directors for a period of 3 years on the Board w.e.f November 19, 2016 in the vacancy that arose on completion of tenure of Mr. Satyananda Mishra as a Public Interest Director and the Chairman of Board on November 18, 2016. Mr. Saurabh Chandra was elected as the Chairman of Board, with the approval of SEBI, w.e.f December 01, 2016.

In terms of Regulation 24(3) of SECC Regulations, SEBI vide letter dated January 30, 2017 has granted extension of the term of Ms. Pravin Tripathi, Mr. Subrata Kumar Mitra , Mr. Arun Kumar Nanda and Dr. Govinda Rao Marapalli, Public Interested Directors on the Board, till the completion of the period of three years from their respective dates of appointment as Public Interest Directors by the erstwhile Regulator Forward Markets Commission. Accordingly, the tenure of Ms. Pravin Tripathi shall be up to August 11, 2017, Mr. Subrata Kumar Mitra and Mr. Arun Kumar Nanda up to May 18, 2018 and Dr. M. Govinda Rao up to August 07, 2018.

In accordance with the provisions of the Companies Act, 2013, Mr. Amit Goela and Ms. Padma Raghunathan, Shareholder Directors, who have been longest in office since their appointment as such, shall be subject to retire by rotation at the ensuing AGM and being eligible are seeking re-appointment. The Board recommends their re-appointment.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, Mr. Mrugank Madhukar Paranjape, Managing Director & CEO, was considered as the whole-time key managerial personnel of the Company w.e.f. May 09, 2016.

Consequent to resignation of Mr. Sandeep Kumar Sarawgi, Chief Financial Officer (CFO) and Mr. Viswanathan Krishnan, Chief Regulatory Officer (CRO) from the services of the Company, they ceased to be a Key Managerial Personnel (KMP) w.e.f. August 08, 2016 and October 31, 2016 respectively. Mr. Narendra Ahlawat, Senior Vice President – Market Operations and a KMP was designated as the CRO w.e.f. November 22, 2016.

Further, Mr. Sanjay Wadhwa was appointed as the CFO of the Company for a term of three years and identified as a KMP w.e.f. February 27, 2017.

PERFORMANCE EVALUATION OF THE BOARD AND THE EVALUATION CRITERIA

In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated the criteria for performance evaluation of individual Directors, Board Committees and the Board as a whole.

A statement indicating the manner in which formal annual evaluation of the Directors, the Board and Board Committees has been made and the criteria for the same are set out in **Annexure VI** to this Report.

AUDIT COMMITTEE

The composition of Audit Committee is covered under the Corporate Governance Report. During the year under review, there were no instances, where the Board had not accepted any recommendation of the Audit Committee.

STATUTORY AUDITOR AND THEIR REPORT

M/s. Shah Gupta & Co., Chartered Accountants (Firm Registration No. 109574W) were appointed as Statutory Auditor by the shareholders at their 13th AGM held on September 29, 2015 for a period of five years, subject to ratification by the shareholders at every AGM. Accordingly, the appointment of M/s. Shah Gupta & Co., Chartered Accountants, as Statutory Auditor of the Company is placed for ratification by the shareholders.

The Report given by the Auditor on financial statements of the Company forms part of the Annual Report. There is no qualification, reservation or adverse remark made by the Auditor in their report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

M/s Rathi & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditor by the Board to conduct the secretarial audit of the Company for financial year 2016-17.

In accordance with Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report for the financial year ended March 31, 2017 is annexed as **Annexure VII** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL CONTROL AND THEIR ADEQUACY

The Board has put in place various internal controls to be followed by your Company to ensure that the internal control mechanisms are adequate and are effective. The Board has also put in place state-of-the-art technology and has automated most of the key areas of operations and processes, to minimize human intervention.

The design, implementation and maintenance of adequate internal financial controls are such that it operates effectively and ensures the accuracy and completeness of the accounting records and their presentation gives a true and fair view of the state of affairs of the Company and are free from material misstatements, whether due to error or fraud.

The operational processes are adequately documented with comprehensive and well defined Standard Operating Procedures which, also include the financial controls in the form of maker and checker being with separate individuals.

The Board has approved a scheme of financial sub-delegation to officials of your Company for incurring expenses. The Board with a view to ensure transparency, has also formulated various policies and has put in place appropriate internal controls for the procurement of services, materials, fixed assets, monitoring income streams, investments and financial accounting.

Internal control measures includes adherence to systemic controls, information security controls as well as role-based / need based access controls. Further, the existing systems and controls are periodically reviewed for change management in the situations of introduction of new processes / change in processes, change in the systems, change in personnel handling the activities, etc.

The Audit Committee of the Company, comprising of Public Interest Directors, periodically reviews and recommends the unaudited quarterly financial statements as also the annual audited financial statements of your Company to the Board for approval.

Your Company has appointed a firm of chartered accountants to conduct independent financial and operational internal audit in accordance with the scope as defined by the Audit Committee. The reports from the Internal Auditors are reviewed by the Audit Committee on periodic basis and the Internal Auditor have been advised to issue flash reports, if required.

Further, all related party transactions are placed before the Audit Committee and are approved / ratified by it after deliberations.

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

No significant and material orders were passed, during the year under review, by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

HUMAN RESOURCE DEVELOPMENT

Your Company believes in strategic alignment of Human Resources to its business priorities and end objectives. As on March 31, 2017, your Company employed 388 employees.

Your Company continues to have in place an Anti-Sexual Harassment Policy in line with the requirements of "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013". An internal Complaints Committee was formed in FY 2015 and continues to exist, to redress complaints received regarding sexual harassment. No complaints were received during the financial year 2016-17 in relation thereto. Your Company has also imparted awareness training to all employees on the 'Anti-Sexual Harassment policy during the year'.

Your Company continues to attract, retain and nurture talented workforce in its endeavour to be an employer of choice. The attrition rate was 12% during the year under consideration.

The disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations 2014, Section 62 of the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014 as at March 31, 2017 in connection with the ESOP 2008 are set out in **Annexure VIII** to this Report.

PARTICULARS OF REMUNERATION

Your Company has adopted a well-defined Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other employees which form part of this report as **Annexure IX**.

The ratio of the remuneration of each director to the median employee's remuneration and other details in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **Annexure X**.

Further, in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 27(5) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, a statement containing particulars of employees as stipulated therein also forms part of this Directors' Report as **Annexure XI**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

The disclosures to be made under Section 134 (3) (m) of the Companies Act, 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014, are explained as under:

A. Conservation of energy:

Your Company, not being energy intensive, takes various measures to reduce energy consumption by using energy-efficient computer systems and equipment. As an ongoing process, your Company evaluates new technologies and techniques to make its infrastructure more energy efficient.

i) Steps taken or impact on conservation of energy

(a) Exchange Data Center has in-row cooling system for servers that cools equipment only and not the external environment to ensure that no energy is wasted in running compressors excessively, to maintain the desired temperature levels of external environment.

(b) Motion sensors connected to lighting were installed in washrooms where the footfall is low, adding to energy saving.

(c) LED lighting installed at Disaster Recovery site at GIFT City to reduce energy consumption and saves energy.

(d) Strict implementation and monitoring of equipment on / off schedule, to reduce wastage of energy.

(e) Maintaining adequate capacitor bank for non-linear electrical loads like air-conditioning plant, pumps and Heat Recovery System, to lower drawal of extra energy and improve power factor.

(f) Preventive maintenance of air conditioning system on scheduled basis to ensure that the heat sensors and electronic components are properly functioning for compressors to achieve variable compression linked to heat levels for reduction in power consumption.

ii) Steps taken by your Company for utilising alternate sources of energy:

No alternate source of energy is utilized by your Company.

iii) Capital investment on energy conservation equipment:

During the year under review ₹ 12 Lakh was invested for installation of LED lights at the Disaster Recovery site at GIFT City.

B. Technology absorption:

i) The efforts made towards technology absorption:

Technology is a key enabler and core facilitator for achievement of the major goals of your Company and is identified as one of the strategic pillars. Your Company hosts all mission-critical applications and supporting infrastructure in its state-of-art Data Center which is supported by the best-of-breed network, security and other necessary infrastructure. Your Company's technological infrastructure is built on the next generation technology mechanism, which can cater to all market participants by virtue of being fast, secure, cost effective, transparent and regulated. Your Company continues to make substantial investment in its technology platform and systems for meeting increasing market requirements and for keeping pace with the rapid technological developments and changes.

All departments within the Company use technology to deliver superior services to the internal customers and trading and clearing members of the Exchange. With a view to support operations of the Surveillance Department effectively, your Company has setup and augmented systems for real-time analytics and data warehouse.

ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Your Company has implemented cutting edge technologies which are best in class IT systems and practices in order to ensure that its technology platform is a strategic business tool for building competitive advantage.

The Company's robust technology infrastructure has continued to provide uninterrupted trading experience and ensures no single point of failure. Through use of carefully evaluated and implemented technology solutions, your Company has been able to offer quality services at optimal costs.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

Your Company has not directly imported any technology during the last three financial years.

iv) Your Company has incurred ₹ 4,857,237 on Research and Development during the year under review.

C. Foreign Exchange Earnings / Outgo during the year under review:

Your Company is engaged in the business of operating a commodity derivative exchange and aspire to gain opportunities as and when available for rendering its services internationally. The details of foreign exchange earnings and outgo forms part of the Significant Accounting Policies and Note no. 31 of Notes forming part of the standalone and consolidated financial statements.

UPDATES POST MARCH 31, 2017

- Your Company commenced futures trading in Refined, Bleached and Deodorized (RBD) Palmolein w.e.f April 5, 2017.
- Detailed guidelines for trading in 'Option' on commodity derivatives exchanges have been issued by SEBI. The Company is taking all possible steps to launch Options trading at the earliest. In this regard, the Company has made an application to SEBI for launch of Gold Option Contract with Gold (1 kg) Futures as underlying, as it satisfies both the criteria for selection of underlying commodity futures for options, as specified in SEBI circular SEBI/HO/CDMRD/DMP/CIR/P/2017/55 dated June 13, 2017. The rationale for selecting Gold (1 kg) contract are: (i) MCX gold contract is a 'Flagship' commodity contract, (ii) Large number of potential stakeholders; (iii) Gold has a well-defined value chain and (iv) Introduction of 'Gold Options' was long awaited by market participants.
- SEBI has, with the objective to align practices in securities markets, issued comprehensive guidelines on June 13, 2017 for Investor Protection Fund, Investor Service Fund and its related matters for National Commodity Derivatives Exchanges which is applicable from July 01, 2017.
- SEBI's permitted Category III Alternative Investment Funds (AIFs) to trade in commodity derivatives.

- The implementation of GST is expected to bring significant gains to the commodity derivatives market, as GST will replace the multiple state and central indirect taxes, which enhance inefficiencies and the cost of participation. Besides, GST will also pave the path towards creation of a unified national market for commodities by removing the inter-state tax arbitrage. A detailed analysis with respect to the same is covered in 'Management's Discussion and Analysis' forming part of the Annual Report
- MCXCCL (Wholly Owned Subsidiary of MCX) has increased its authorized Share Capital from the existing ₹10 crore to ₹150 crore, divided into 15 crore Equity shares of ₹10/- each. Your Company has infused additional capital of ₹100 crore to meet the minimum net worth criteria required for a clearing corporation and put in place systems and processes to enable it to commence its operations during the financial year 2017-18.
- Consequent to the expiry of the term of Mr. Ajay Puri as the Company Secretary of the Company, on he attaining the age of sixty, being the age of retirement, ceased to be a KMP w.e.f. June 30, 2017. Mr. Ashwin Patel was appointed as the Company Secretary and identified as a KMP w.e.f. July 01, 2017.

  For further details please refer the 'Management's Discussion and Analysis' forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, your Directors state that:

(a) In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors have prepared the annual accounts on a 'going concern' basis;

(e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGMENTS

Your Directors place on record their sincere gratitude to the Government of India, Ministry of Finance, Department of Economic Affairs, Ministry of Corporate Affairs, Securities and Exchange Board of India, Reserve Bank of India, Foreign Investment Promotion Board, BSE Limited, Department of Post, Shareholders, Financial Institutions, Bankers, Members of the Exchange and Business Associates for their continued support and faith in the Company. Your Directors also wish to place on record their appreciation for the contribution made by employees at all levels.

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman

Mumbai
July 13, 2017

ANNEXURE I

DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of Companies Act, 2013 read with the applicable Rules framed thereunder, as may be in force for the time being ("Companies Act").

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these divergent needs. The dividend pay-out of a Company is driven by several factors. Some Companies pay a lower dividend. The idea is to retain profits and invest it for further expansion and modernization of the business. On the other hand, there are Companies which prefer to pay higher dividend. These Companies may not necessarily be growth oriented companies with greater emphasis on retaining their shareholder base.

The objective of this Policy is to ensure a balance between these apparently conflicting and divergent approaches and adopt that while the Company recommends a regular dividend income for the shareholders it shall keep the long-term capital appreciation for all its stakeholders. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

The Board of Directors will refer to the Policy while declaring/recommending dividends on behalf of the Company. Through this Policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans. The Company believes that it operates in the high potential and fast growing on-line commodity trading segment which is poised to witness new development in the near future. This offers huge investment opportunities. Therefore, the retention of surplus funds for future growth will equally be important as that of distribution of surplus by way of dividend to shareholders. However, considering the consistent and impressive generation of profits year on year, there is a need to provide greater clarity on the dividend pay-out philosophy of the Company.

The following financial parameters shall be considered while declaring dividend:

i. Financial Performance and Profitability

ii. Liquidity

iii. Financial metrics (i.e. Financial Ratios)

iv. Retained earnings

v. Capital commitments going forward.

Utilisation of retained earnings

Where the Company predicts, based on appropriate analysis, that the Company can put retained earnings to better use and increase the earnings substantially or has the ability to increase earnings at a higher than market rate, the Board may utilize the retain earnings for the following purposes:

i. To secure a durable competitive advantage in the Securities market;

ii. To invest in research and development of the products/contracts in agri/non-agri sectors;

iii. To expand business by potential acquisition opportunities, as permissible by law;

iv. To invest in technology/modernisation plan so as to avoid technological obsolescence risks;

v. To consider buy back of shares;

vi. To expand capacity/facilities utilising internal accruals to capitalize upon new opportunities in view of regulatory changes;

vii. Such other purposes, as the Board may think appropriate from time to time to maintain/enhance its competitive advantage.

Factors (internal and external) to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, an optimal balance needs to be arrived at considering the interest of shareholders and that of the Company.

The dividend pay-out decision of any company depends upon certain external and internal factors.

External Factors:

State of Economy

In case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets

When the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory Restrictions

The Board will keep in mind the restrictions imposed by Companies Act, 2013 with regard to declaration of dividend.

Internal Factors:

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring dividend which, *inter alia,* will include:

a. Profits earned during the year;

b. Present & future capital requirements of the existing businesses;

c. Brand/Business Acquisitions;

d. Expansion/Modernization of existing businesses;

e. Additional investments in subsidiaries/associates of the Company;

f. Fresh investments into external businesses;

g. Any other factor as deemed fit by the Board.

Category of Dividends

The Companies Act, 2013 provides for two forms of Dividend – Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Process for approval of Payment of Final Dividend

Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy, based on the profits arrived at as per the audited financial statements. Shareholders to approve in Annual General Meeting once in a financial year.

Interim Dividend

This dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this Policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

Declaration of Dividend

Subject to the provisions of Section 123 (reproduced below) of the Companies Act, 2013, dividend shall be declared or paid only out of:

i. Current financial year's profit after (a) providing for depreciation in accordance with law and (b) transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion; or

ii. The profits for any previous financial year(s) (a) after providing for depreciation in accordance with law; (b) remaining undistributed; or

iii. Out of (i) and (ii) both.

Dividend Distribution Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavour to maintain a dividend pay-out (interim, if any, and final, put together) in the range of 30 to 50 per cent of profits after tax (PAT) every financial year on a standalone financials. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

The Board may, after taking into consideration of the matters such as the financial position, investments plans economic conditions and liquidity, declare or recommend dividend.

Circumstances under which shareholders of the Company may not expect dividend

The Board of Directors of the Company may abstain from declaring any dividend/lower percentage of dividend in a particular financial year, if they are of the view that the retained earnings/funds through internal accruals can be better utilised for the following purposes:

a. Expansion/modernisation of the existing business operations;

b. Seeking inorganic growth through acquisitions opportunities, within and outside India;

c. Investment in Subsidiary and Associate Companies;

d. Embark upon new product/line of business;

e. Buyback of shares, etc.;

f. Requirement of funds for identified purposes, if any;

Barring the above, shareholders can expect dividend in the normal course of business.

In case the Board of Directors abstains from declaring dividend, a justification thereof shall be provided to the shareholders in the Directors Report.

Review:

This Policy is subject to review/revision by the Board of Directors whenever felt necessary.

ANNEXURE II

Statement containing salient features of the financial statement of subsidiary in Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, read with rule 5 of the Companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARY

₹ in Lakhs

Sr. No.	Particulars	Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)
1.	% of Shareholding	100%
2.	Reporting Period	April 01, 2016 – March 31, 2017
3.	Reporting Currency	INR
4.	Share Capital	600.00
5.	Reserves & Surplus	219.57
6.	Total Assets	830.74
7.	Total Liabilities (including Share Capital and Reserves & Surplus)	830.74
8.	Investments	825.42
9.	Turnover	–
10.	Profit/(Loss) before taxation	34.59
11.	Provision for taxation	2.15
12.	Profit/(Loss) after taxation	32.44
13.	Proposed Dividend	–

Notes :

1. Multi Commodity Exchange Clearing Corporation Limited, a wholly owned subsidiary of MCX, has been incorporated since August 01, 2008, and has not yet commenced operations.
2. SME Exchange of India Limited, a subsidiary of MCX, is under liquidation. The requisite formalities for application of winding up of the company has been completed. The Registrar of Companies, on May 30, 2017, has approved the Liquidators statement showing the manner in which the winding up has been conducted and the property of the company has been disposed off. The Official Liquidator shall issue the final report on winding up of the company after receiving the No Objection Certificate from the Registrar of Companies and the Assessing Officer, Income Tax department.

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman

Mumbai
July 13, 2017

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   Mission: In its endeavour to create economic, social and environmental capital, MCX is focused on creating a positive social and environmental impact by leveraging its resources and expertise.

   The CSR Projects, Programmes and activities include to invest resources in the following CSR thrust areas:

   – Rural development projects related to adoption of villages and rural community development;
   – Creating inclusive and enabling infrastructure/environment for livable communities, inter alia, achieving health, hygiene, water, sanitation, housing, education, infra-structure or livelihoods especially for those form disadvantaged sections of society;
   – Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly, and the differently abled; livelihood enhancement projects; developing capability and self-reliance of beneficiaries at grass root level, especially women and children;
   – Promoting preventive health care and improving sanitation;
   – Providing toilets in village-level schools;
   – Environment conservation;
   – Promoting efficient use of energy and adopting environment-friendly technologies;
   – Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry and conservation of natural resources;
   – Contributing to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development;
   – Such other activities as may be prescribed in Schedule VII of the Companies Act, 2013, as amended from time to time, or prescribed by the Central Government and approved by the CSR Committee and the Company's Board, as the case may be.

   Your Company is actively implementing and monitoring the CSR activities. The CSR activities undertaken are aimed to improve the quality of life through the activities under our Gramin Suvidha Kendra programme and projects like the water shed programme. Sustainable practices that have a positive impact on the society are encouraged through our support to projects that promote socio-economic development and upliftment of the underprivileged. Further, your Company, inter alia, encourages participation and engagements for employee-driven initiatives. A brief of the CSR activities of your Company is provided in the Report annexed.

   The Company's CSR policy and the CSR activities are available on the Company's website at
   https://www.mcxindia.com/about-us/csr

2. **The Composition of the CSR Committee:**

   The CSR Committee comprise of Mr. Arun Kumar Nanda, Dr. M. Govinda Rao and Ms. Padma Raghunathan.

3. **Average net profit of the Company for last three financial years: ₹1542.62 million**

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹30.85 million**

5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year: **₹30.85 million**

   (b) Amount unspent, if any: **N.A.**

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in million)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overhead:	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Gramin Suvidha Kendra Programme	Rural empowerment (Agricultural Sector)	**GUJARAT:** Ahmedabad, Banaskantha, Bevbhumi dwarka, Mehsana, Morbi, Patan, Rajkot and Surendranagar; **MAHARASHTRA:** Akola, Amravati, Gondia, Jalgaon, Solapur, Wardha, Yavatmal; **MADHYA PRADESH:** Chhindwara; **UTTAR PRADESH:** Raebarelli, Meerut	11.26	11.26	11.26	Direct
2.	Water-shed Programme	Social & Economic Development	i – Nanded, Maharashtra ii – Yavatmal, Maharashtra	6.76	6.76	6.76	Indirect: i. Dilasa Janvikas Prastishsan ii. Maharashtra Institute of Technology Transfer for Rural Areas (In collaboration with National Bank for Agriculture and Rural Development)
3.	Providing of Tricycles to physically handicapped	Promoting healthcare and Livelihood enhancement	Jaipur, Rajasthan	6.50	6.50	6.50	Indirect: Bhagwan Mahaveer Viklang Sahayata Samiti (Jaipur Foot)
4.	Rehabilitation of Children with Disabilities	Special education for Children with Disabilities	Bhopal, Madhya Pradesh	3.74	3.74	3.74	Indirect: Arushi Society
5.	Vocational courses for women	Women & youth Empowerment	Mumbai, Maharashtra	2.00	1.90	1.90	Indirect: Dharma Bharathi Mission (Navshrusti International Trust)
6.	Holistic Childhood Development of children in Government Anganwadis	Promoting healthcare and Education for underprivileged Children	Bangalore, Karnataka	1.50	1.50	1.50	Indirect: United Way Bengaluru
7.	Teaching in BMC School	Education to underprivileged Children	Mumbai, Maharashtra	1.49	1.23	1.23	Indirect: Global Education Trust
	TOTAL			**33.26**	**32.89**	**32.89**	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

In its endeavor to subserve the long-term interest of the society and its well-being at large, your Company was able to apply the mandated amount towards the CSR activities of the Company pursuant to the comprehensive policy adopted.

7. Responsibility Statement:

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Multi Commodity Exchange of India Limited

Mrugank Paranjape	Arun Kumar Nanda
Managing Director	**Chairman of the Corporate Social Responsibility Committee**
(DIN: 02162026)	(DIN: 00010029)

Mumbai
July 11, 2017

REPORT OF THE CSR PROJECTS IMPLEMENTED IN FY 2016-17

I. WATER SHED PROGRAM THROUGH NABARD

For the FY 2016-17, MCX continued to part fund the two water shed programs in collaboration with National Bank for Agricultural and Rural Development (NABARD), namely, Ghotaka Watershed Project in Loha Taluka of Nanded District and Shedechimad Watershed Project in Ralegaon Taluka of Yavatmal district, implemented by Dilasa Janvikas Prastishsan (Dilasa) and Maharashtra Institute of Technology Transfer for Rural Areas (Mittra) respectively. Both the areas of the watershed project are characterized by seasonally erratic rainfall, low agricultural productivity, degraded natural resources and low economic status.

Given the sufferings from continued drought and an opportunity for employment, local committees have participated in the implementation process of treatment measures like field bunds, continuous contour trenching and refilling of CCT work, plantation, farm pond, Wadi (agro horti forestry), gully plugs and stone outlets. The technical efforts for the watershed development projects are aimed to address the issues of soil erosion, reduced agriculture productivity and to maximize the utilization of surface and subsurface water for crop production and improve water availability at micro level.

The core interventions for the success of such programs are financial support, capacity building and contribution by the community in the form of *shramdaan*.

The impact, inter alia, of such intervention/programs is that more area is made available for cultivation providing an additional income to farmers. The plantations helps in retention of soil & moisture in the area which in turn helps in increasing water table. Throughout its operating life, the watershed shall provide visible and invisible benefits enriching the lives of the hinterland families and immensely benefit regional communities.

The implementing agencies, namely Dilasa and Mittra, have completed the First phase namely the capacity building phase and have started implementing the second phase i.e. the Full Implementation Phase, as per the sanctions. These projects are being coordinated, supervised and monitored in consultation with NABARD.

II. FINANCIAL SUPPORT FOR TRICYCLES – BHAGWAN MAHAVEER VIKLANG SAHAYATA SAMITI (JAIPUR FOOT)

For the rehabilitation and to bring a transformation in the life of the disabled individuals suffering from loco-motor disabilities due to rail/road accidents, mining, etc., your Company provided financial support to Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), the parent body of the world renowned Jaipur Foot, for providing Tricycles to disabled persons. Accordingly, BMVSS has, on behalf of MCX, provided 867 tricycles to individuals below the poverty line with permanent disability. The disabled medically assessed were provided hand paddled tricycles for their rehabilitation by augmenting their mobility and earning capacity.

III. REHABILITATION OF CHILDREN WITH DISABILITIES – ARUSHI SOCIETY

With the objective of rehabilitation of children with disabilities, your Company provided financial support to Arushi Society, Bhopal for the same and also provided financial support for purchase of two Sanitary Napkins manufacturing Machines. Necessary interventions for 50 children with different disabilities were made for their rehabilitation for preparing them with school readiness skills, functional skills and activity for daily living. Further, for sensitising and creating awarenes, five posters on awareness on disability were developed and a Blind Challenge Car Rally, where the vehicle was driven by a sighted person and the navigator was a blind person with the route map in Braille, was organised. The Arushi team participated in the "Disability category" in Standard Chartered Mumbai Marathon.

For the purpose of providing livelihood, and to make available sanitation napkins to adolescent girls and adult women at a cheaper rate, your Company has provided financial support for purchase of two Sanitary Napkins manufacturing Machines alongwith the initial raw material required. The napkins produced by such machines cost about ₹1.8 – ₹2.00 per pad, potentially 20% of the cost of what's available in the market, generating employment for under-privileged and physically challenged women. By making the napkins affordable to rural and urban poor women, it shall help reducing medical complications, reduce loss of days from either school/work due to menstruation and improve hygiene level.

IV. VOCATIONAL TRAINING – DHARMA BHARATHI MISSION

The Company has, for the purpose of empowerment of women and youth through livelihood skills building, has provided vocational activities/courses namely Tailoring, Computer, Para Nursing and Balwadi teacher Training through Dharma Bharathi Mission, a unit promoted by Navasrushti International Trust, at its Trombay and Santacruz centers. Vocational training of Tailoring and Computer was provided to 179 and 133 women respectively, and Para-nursing and Balwadi Teachers training was provided to 17 and 20 women respectively during the FY 2016-17. Through such courses most of the participants are able to secure their livelihood either by seeking employment or by self-employment.

V. BORN LEARNING CAMPAIGN – THE UNITED WAY BENGALURU'S

To addresses the issue of malnutrition and early learning development requirements of children from the lower economic section, the Company has provided financial support for the Born Learning Campaign, to ensure Holistic Childhood Development of children aged below 6 years in 10 Government Anganwadis'. The project to transform early childhood was implemented by United Way Bengaluru in Kodihalli cluster in Bengaluru, with the approval of and in collaboration Women and Child Development Department, Government of Karnataka. The areas of interventions for the support were (i) Enhance early learning skills of children; (ii) Educating parents on early child care; (iii) Improve the infrastructure of Government Anganwadi centers.

VI. IMPARTING EDUCATION TO THE STUDENTS OF BMC SCHOOLS MOSTLY BELONGING TO SOCIALLY BACKWARD SECTION AND AS A PART OF EMPLOYEE ENGAGEMENT IN THE CSR ACTIVITIES OF THE COMPANY

During the year, your Company financially supported, with employee engagement, a project for imparting qualitative education and grade improvement to the students, in Brihanmumbai Municipal Corporation (BMC) schools mostly belonging to socially backward section in Mumbai. To this effect, Company provided funds to Global Education Trust (GET) for its coaching intervention for grade improvement project in BMC schools.

GET, with requisite permission from Education Department, designed and conducted Coaching sessions for underprivileged school children studying in V, VI, VII and VIII standard at 16 BMC Schools in and around Andheri (6 English, 5 Urdu, 4 Hindi and 1 Marathi medium Schools). Further, in addition to the teachers engaged by GET, the employees of the Company also voluntary participated in the same by teaching in various schools.

VII. GRAMIN SUVIDHA KENDRA PROGRAMME

Gramin Suvidha Kendra, a joint programme by your Company and India Post, seeks to include farmers in the modern commodity market ecosystem by enhancing their value realization from agricultural activities. It is a single window service designed to empower small and marginal farmers with knowledge about market prices of the locally produced commodities and best practices for enhancing quality standards of their produce and making farming economically sustainable. The Gramin Suvidha Kendra is a service to, and for the benefit of, the farmers by providing necessary assistance, guidance, and support in agriculture and allied activities to make farming viable and a profitable livelihood means.

Gramin Suvidha Kendra aims to empower farmers with knowledge on market price – spot (current) and futures prices of commodities grown locally and other information; thus, enabling them to take informed decisions, easy market accessibility and for prevention of distress sale. The activities help redress crop related query(ies), develop knowledge of new techniques, adopt good agricultural practices, etc. by providing various baskets of services at the doorstep and help them save time and money. The program is managed, reviewed and monitored, and the activities are modified through continuous field learning, interactions, advice and are introduced in the Program in the form of necessary service.

Conceptualized in 2006, this program provides value-added services by assisting farmers in formulating a cropping strategy and maximizing returns; creating awareness, providing knowledge/guidance and value added services helping the farmers to raise their standard of living. This basket of services has augmented manifold since its inception and the programme as on March 2017 operates across 4 states (Maharashtra (7 Districts namely Jalgaon, Amravati, Akola, Wardha, Solapur, Yavatmal and Gondia), Uttar Pradesh (2 Districts namely Raebareli and Meerut), Gujarat (8 Districts namely Ahmedabad, Patan, Surendranagar, Banaskantha, Morbi, Devbhumi Dwarka, Rajkot and Mehsana), and Madhya Pradesh (1 District Chhindwara) and 32 centers locations, reaching out to more than 32,000 farmers residing in over 1400 villages.

Activities undertaken under the Gramin Suvidha Kendra (GSK) Program during FY 2016-17 are as under:

System of Rice Intensification (SRI): The System of Rice Intensification known as SRI is an agro ecological methodology for increasing the productivity of rice by changing the management of plants, soil, water and nutrients. The objective of the programme is to increase the productivity of irrigated rice for which MCX trained farmers and provided them with requisite guidance, quality seeds, weeders, pesticides etc. SRI helps the farmers to raise their household income, enhances soil fertility, and protects the crops against climatic, pest, and disease stresses. MCX has, during FY 2016-17, trained and implemented SRI with 320 farmers at various paddy producing centers in Uttar Pradesh and Maharashtra. The enhanced productivity has motivated many more farmers to adopt SRI method of rice cultivation.



Front Line Demonstration (FLD) programme: FLD is an agriculture technology which is evolved by the Indian Council of Agricultural Research. It's a field demonstration which is conducted under the close supervision of agri. scientists. The basic purpose is to demonstrate newly released crop varieties and its management practices in the farmers' field under different agro-climatic regions and farming situations. We have executed FLD programme with 172 farmers on wheat crop in 20 centres in 3 states in FY 2016-17.



Kitchen garden initiative for empowering women: To provide support to women farmers with a sustainable livelihood option, MCX has supported Kitchen Gardening programme at its various centers. Under this initiative, women are encouraged, through support from MCX, to grow vegetables in their back yard/home gardens which helps to enhance income and better health. Through this initiative, 503 women farmers across 18 centers of Gujarat, UP, Maharashtra and MP, were supported to earn supplementary income from agricultural activities. With 60 per cent one-time contribution from MCX, GSK has been empowering women farmers in financial decision making with respect to agriculture.

Wadi/Fruit orchard program: With and intent to provide an additional income and empower women, we have initiated Wadi/ Fruit orchard program. GSK assist and encourages women to develop fruit orchards, generally on 1 hector of land by cultivation of drought tolerance fruit plants like mango, lime, jackfruit, etc. with cultivation of seasonal vegetables and other species in the interspace between them. In FY 2016-17, 16 farmers participated and were benefitted through this initiative.

Floriculture initiative for small and marginal farmers: Considering the potential of generating self-employment, meeting local demand and increase the income for small and marginal farmers, GSK has promoted floriculture at its various centers. For FY 2016-17, we have promoted floriculture with 140 farmers at various centers in Maharashtra and Uttar Pradesh.

Establishment of Nursery: For the purpose of creating local employment opportunity and making plants available locally and for the purpose of the future need of the GSK activities, the Company has contributed of setting of nurseries with the technical support of district horticulture department. Such local centers shall reduce cost and help to produce superior quality saplings and enable the local community in order to earn additional income. During FY 2016-17, MCX has supported the setting of 31 nurseries at different GSK centers in Maharashtra, UP and Gujarat.

Farmer training and/or awareness programmes: Through these programs GSK organizes and sponsors training by agricultural experts from different agricultural universities and Krishi Vigyan Kendras on agriculture or allied services, new/advanced agriculture techniques, allied opportunities, etc. Such training and awareness programmes not only increase the agricultural production and income but also encourage them to use new scientific methods of farming or adopt diversified farming. The training needs are generally customized as per the needs of the local farmers. More than 6400 farmers participated in 183 GSK centers conducted in FY 2016-17.

Agri. expert visit: To help the farmers to identify and solve various problems related to various stages of crop cycle, GSK organizes and facilitates field visit of an Agricultural Expert in demonstration plot, research center or infield. Such advice by the Agri-Experts provide farmers with a learning opportunity or follow recommended practices to increasing their agricultural productivity, minimize the financial/crop loss and increase income. 14 Agri-Expert visits have been conducted in FY 2016-17 to address various crop related issues.

Exposure visit of the farmers: To provide farmers with first-hand information and knowledge on various aspects of agriculture like productivity, technology, processes, quality management, crop diversification, marketing, or any other valuable agricultural information, exposure visits are organized by the GSK to different agriculture colleges, universities, *Krishi Vigyan Kendras, Krishi Melas,* etc. Such events help the farmers to observe the result and impact of such programmes with the entailing benefits and outcomes of such practice and enable them to replicate such programs. In FY 2016-17, 25 exposure visits benefitting 634 participant farmers at its GSK centers were conducted.

Organizing Farmers field day event: To provide an opportunity to the farmers to get in-field exposure on the practices adopted, the problems and experiences connected therewith and interact with successful/ innovative farmers, Farmers field day events were organised.

Orientation Programmes and convergence with Government schemes: To provide a means of employment and livelihood to marginal farmers/ landless labourers, MCX has conducted Orientation Programmes for imparting know how on commercial opportunities like Mushroom Farming, dairy and sericulture, etc. The consultants also help and assist the farmers to know and avail different Government schemes. As a new livelihood based promotional activities, your Company has supported Mushroom cultivation programme with 3 farmers in Maharashtra on a pilot basis.

Village level meeting: To create a well aware and informed farmer, MCX organizes village level meetings on weekly basis, wherein farmers are made aware about the services and benefits of GSK program and are encouraged to join the same.

Spot and futures market price dissemination: With the intent to provide with knowledge about market prices of the locally produced commodities to enable farmers to take informed decisions, end-of-day spot and futures market prices of the locally grown crops are updated on the GSK board at the Village post office on a daily basis. The daily display of market price of the locally grown crops helps the farmers for easy market accessibility and prevention of distress sale and making farming economically sustainable.

Branch Post Masters' awareness programme: GSK organises training programme for the Branch Post Masters' comprising of the information and activities of the GSK programme, the need and update of the informational content displayed at the Post Office and the roles and responsibilities of different partners, etc.

Awareness Programme for women farmers: To empower women and bring together women from the same socio-economic background collectively for achieving certain goals, MCX has initiated, on pilot basis, the process of forming women Self Help Group (SHG). For this intervention to make women economically stable for social change, MCX encourages involvement of women by conducting awareness programme at some of the GSK Centers. Under this initiative, several village level training and awareness programmes have been organized in some of the GSK centers in Gujarat.

Awareness programme on health and sanitation: To make the students aware of the clean and hygiene environment, School level health and awareness programmes were conducted at various GSK centres with the support of District Health Department. Such events make the students aware of cleanliness, usefulness of sanitation, safe drinking water and accessibility of sanitation facility etc., who convey the proper usage and knowledge at their home. During FY 2016-17, 14 such training programmes were conducted in which 2364 students participated.

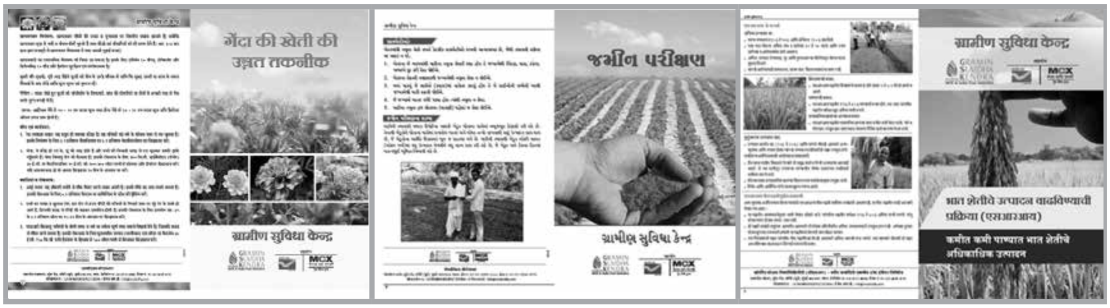
Soil and water testing initiative: To enable the farmer to assess the characteristics and identify the deficiencies of the soil, MCX has encouraged and supported the farmers to do soil testing of their respective farms. Based on the Reports, expert advice suitable and economic nutrient doses through fertilizers and/or organic manure and recommend better soil management practices for increasing agricultural production. Apart from Soil testing, water testing at various schools for analysing the water quality and the suitability for consumption. Awareness of Soil & water testing was carried at various centers with more than 500 farmers. In FY 2016-17, water testing of 10 schools in Gujarat and soil testing for 425 farmers was done.

Organic farming/Sustainable Agriculture: In order to maintain soil quality and fertility and to minimize the use of harmful chemicals on the crop, which in turn endangers human and other life forms, MCX has promoted organic farming and encouraged sustainable agricultural practices to enhance soil productivity and to facilitate farmer to grow best quality crops using cultural practices, crop rotation, bio fertilizers and biological pest controls rather than inorganic/synthetic fertilizers and pesticides, resulting in sustained and biologically rich biodiversity. Through this initiative, your Company has, at the Solapur center, supported the sustainable agricultural practices for conservation of the environment and land scape species including conservation of one of the most critically endangered bird species the Great Indian Bustard *Ardeotis nigreceps*.

Vermi-compost: To improve soil quality, fertility for enhanced yield, MCX has provided training and vermi-composting units/beds, to support farmers to shift to organic agriculture. MCX has provided 80 vermi-compost units/beds across 11 centres in Maharashtra, Madhya Pradesh, Gujarat and Uttar Pradesh.

Deepening/Renovation of dug well: The Dug well intervention is one of the effective meansin providing water for irrigation and domestic requirements and hence promotes household livelihood security. MCX provides necessary guidance and support to the farmers and partially contributes in the Deepening/ Renovation of dug well, benefitting 10 farmers across various GSK centers of Gujarat.

Training material/information Brochure: The Company has for the purpose of awareness and dissemination of information, printed and distributed various brochures covering certain programs and containing information on System of Rice Intensification, Cultivation of Marigold, Soil Testing and also banners of events/programs in Hindi, Marathi and Gujarati languages.



IMPACT OF MCX GRAMIN SUVIDHA KENDRA PROGRAM

Through the above services and interventions, MCX has demonstrated how farm activity can be economically sustainable while engaging the community on a continuous basis. Farmers now have access to knowledge on market price, easy market accessibility and are in a better position to prevent themselves from distress selling. Local agricultural experts, field visits and exposure visits enable farmers to adopt good agricultural practices, new techniques, processes and innovations maximise productivity and enhance their livelihoods and have social impact. Easy access to redress crop related queries, exposure to different agriculture universities and *Krishi Vigyan Kendras*, technical knowledge of new techniques like FLD, SRI, organic farming, etc. save cost, enhance soil productivity and increase yield and enrich bio diversity. Training and orientation programmes provide an access to local youth on various employment opportunities like mushroom farming, dairy and sericulture, etc., and the assistance to avail various government schemes. The initiative of formation of women self-help groups shall take shape in the coming years and this intervention shall make women economically stable for social change. The Village level meetings are held with the objective of encouraging villagers for setting priorities and taking participatory decision for the development of the village. The awareness programme on health and sanitation is to promote cleanliness, and proper sanitation. Through the support to the sustainable agricultural practices, the Company ensures for the conservation of environment and its species. The many-fold objectives of the Programme are aimed at creating sustainable and viable model for future scalability and replication aspects.

ANNEXURE IV

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L51909MH2002PLC135594
ii)	Registration Date/Date of Incorporation	19th April 2002
iii)	Name of the Company	Multi Commodity Exchange of India Limited
iv)	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v)	Address of the Registered office and contact details	Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai- 400 093. Tel: +91-22-67318888, Fax: +91-22-66494151 Website: www.mcxindia.com, Email: ig-mcx@mcxindia.com
vi)	Whether listed company	Yes. Listed on BSE Limited. Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref. No.: 202/2012 dated March 7, 2012 notified that with effect from March 09, 2012 the Company's equity shares were permitted to be traded and admitted to dealings on NSE (Capital market segment).
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Telangana – 500 032, Hyderabad. Tel: +91-40-67162222, Fax: +91-40-23001153 Toll Free no.: 1800-345-4001 Website: www.karvy.com, Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:-

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Facilitating Trading, Clearing and Settlement of Commodity Derivatives	Section K: Financial and Insurance Activities, Division 66: Other Financial Activities, Administration of Financial Markets, NIC Code – 66110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Multi Commodity Exchange Clearing Corporation Limited (MCXCCL), Exchange Square, CTS 255, Suren Road, Andheri (E), Mumbai – 400 093.	U74999MH2008PLC185349	Subsidiary	100%	2(87)

***Note:** SME Exchange of India Limited, a subsidiary of MCX, is under liquidation. The requisite formalities for application of winding up of the company have been completed. The Registrar of Companies, on May 30, 2017, has approved the Liquidators statement showing the manner in which the winding up has been conducted and the property of the company has been disposed of. The Official Liquidator shall issue the final report on winding up of the company after receiving the No Objection Certificate from the Registrar of Companies and the Assessing Officer, Income Tax department.*

IV. SHARE HOLDING PATTERN (SHP) (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2016 i.e. on the basis of SHP of March 31, 2016)				No. of Shares held at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
I) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other….	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other…	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	10004193	0	10004193	19.62	8976815	0	8976815	17.60	-2.02
b) Banks/FI	11192339	0	11192339	21.95	9567061	0	9567061	18.76	-3.19
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds/Alternate Investment Funds	0	0	0	0	75000	0	75000	0.15	0.15
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs/FPIs	7796161	0	7796161	15.29	11395384	0	11395384	22.34	7.05
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others									
i. Foreign Bodies Corporate	0	0	0	0	0	0	0	0	0
ii. Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	**28992693**	**0**	**28992693**	**56.85**	**30014260**	**0**	**30014260**	**58.85**	**2.00**

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 1, 2016 i.e. on the basis of SHP of March 31, 2016)				No. of Shares held at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp. (Indian & Overseas)	5429543	0	5429543	10.65	4938948	0	4938948	9.68	-0.97
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	8902688	1338	8904026	17.46	8699169	1138	8700307	17.06	-0.40
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5634517	0	5634517	11.05	5297448	0	5297448	10.39	-0.66
c) Others									
i. Trust*	199171	0	199171	0.39	158532	0	158532	0.31	-0.08
ii. Non-resident Indians	820069	0	820069	1.61	792058	0	792058	1.55	-0.06
iii. Non Resident Indian Non Repatriable	0	0	0	0	212275	0	212275	0.42	0.42
iv. Clearing Members	40712	0	40712	0.08	74794	0	74794	0.15	0.07
v. Directors & their Relatives	6816	0	6816	0.01	4716	0	4716	0.01	0
vi. Foreign Nationals	285	0	285	0	600	0	600	0	0
vii. HUF	913624	0	913624	1.79	634258	0	634258	1.24	-0.55
viii. Beneficial holdings under MGT- 4	2829	0	2829	0	2829	0	2829	0.01	0.01
ix. NBFC	54084	0	54084	0.11	167344	0	167344	0.33	0.22
Sub-total(B)(2)	**22004338**	**1338**	**22005676**	**43.15**	**20982971**	**1138**	**20984109**	**41.15**	**-2.00**
Total Public Shareholding (B)=(B)(1) + (B)(2)	**50997031**	**1338**	**50998369**	**100.00**	**50997231**	**1138**	**50998369**	**100.00**	**0**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**50997031**	**1338**	**50998369**	**100.00**	**50997231**	**1138**	**50998369**	**100.00**	**0**

* ***includes MCX ESOP Trusts holding 141,066 (0.28%) [FY 2015-16 – 185,054 (0.36%)] equity shares of the Company and the same shall be construed as "non-promoter and non-public" for the purpose of SEBI (Share Based Employee Benefits) Regulations, 2014.***

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016 i.e. on the basis of SHP of March 31, 2016)			Shareholding at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

iii) Change in Promoters' Shareholding

Name of the Share Holder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the Year (01-04-16 to 31-03-17)	
	No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
	0	0		0	Not Applicable	0	0

Shareholding Pattern of top ten Shareholders as at April 01, 2016 & March 31, 2017 (other than Directors, Promoters and Holders of GDR's and ADR's)

Sr. No.	Name of the Share Holder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the Year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Kotak Mahindra Bank Limited	7649755	15.00	01/04/2016			7649755	15.00
		7649755	15.00	31/03/2017			7649755	15.00
2	Blackstone GPV Capital Partners Mauritius VI FII Limited#	2442212	4.79	01/04/2016			2442212	4.79
				07/10/2016	-184	Transfer	2442028	4.79
				21/10/2016	-21000	Transfer	2421028	4.75
				16/12/2016	-2421028	Transfer	0	0.00
		0	0.00	31/03/2017			0	0.00
3	Axis Mutual Fund*	2349336	4.61	01/04/2016			2349336	4.61
				13/05/2016	100000	Transfer	2449336	4.80
				27/05/2016	-10000	Transfer	2439336	4.78
				03/06/2016	-80000	Transfer	2359336	4.63
				10/06/2016	-20000	Transfer	2339336	4.59
				21/10/2016	-7000	Transfer	2332336	4.57
				28/10/2016	-50000	Transfer	2282336	4.48
				04/11/2016	-10060	Transfer	2272276	4.46
				18/11/2016	-19700	Transfer	2252576	4.42
				23/12/2016	-10000	Transfer	2242576	4.40
				27/01/2017	63450	Transfer	2306026	4.52
				27/01/2017	-63540	Transfer	2242486	4.40
		2242486	4.40	31/03/2017			2242486	4.40

Sr. No.	Name of the Share Holder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the Year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Jhunjhunwala Rakesh Radheshyam	2010000	3.94	01/04/2016			2010000	3.94
				11/11/2016	-10000	Transfer	2000000	3.92
		2000000	3.92	31/03/2017			2000000	3.92
5	IDFC Premier Equity Fund	1903846	3.73	01/04/2016			1903846	3.73
				05/08/2016	-100	Transfer	1903746	3.73
				26/08/2016	-7500	Transfer	1896246	3.72
				02/09/2016	-91180	Transfer	1805066	3.54
				09/09/2016	-42222	Transfer	1762844	3.46
				30/09/2016	-63103	Transfer	1699741	3.33
				13/01/2017	-215207	Transfer	1484534	2.91
				20/01/2017	-238578	Transfer	1245956	2.44
				27/01/2017	-124908	Transfer	1121048	2.20
		1121048	2.20	31/03/2017			1121048	2.20
6	Reliance Mutual Fund*	1607169	3.15	01/04/2016			1607169	3.15
				29/04/2016	968578	Transfer	2575747	5.05
				29/04/2016	-930678	Transfer	1645069	3.23
				06/05/2016	25000	Transfer	1670069	3.27
				27/05/2016	25000	Transfer	1695069	3.32
				03/06/2016	6422	Transfer	1701491	3.34
				30/06/2016	25000	Transfer	1726491	3.39
				23/09/2016	100000	Transfer	1826491	3.58
				30/09/2016	-125000	Transfer	1701491	3.34
				30/12/2016	-125000	Transfer	1576491	3.09
				13/01/2017	-26500	Transfer	1549991	3.04
		1549991	3.04	31/03/2017			1549991	3.04
7	Smallcap World Fund, Inc#	1250000	2.45	01/04/2016			1250000	2.45
				05/08/2016	-227570	Transfer	1022430	2.00
				12/08/2016	-209035	Transfer	813395	1.59
				19/08/2016	-80000	Transfer	733395	1.44
				26/08/2016	-154645	Transfer	578750	1.13
				09/09/2016	-330537	Transfer	248213	0.49
				23/09/2016	-248213	Transfer	0	0.00
		0	0.00	31/03/2017			0	0.00

Sr. No.	Name of the Share Holder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the Year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
8	National Bank For Agriculture And Rural Development#	1070096	2.10	01/04/2016			1070096	2.10
				22/04/2016	-30046	Transfer	1040050	2.04
				29/04/2016	-104850	Transfer	935200	1.83
				13/05/2016	-7080	Transfer	928120	1.82
				20/05/2016	-100	Transfer	928020	1.82
				27/05/2016	-120111	Transfer	807909	1.58
				03/06/2016	-101253	Transfer	706656	1.39
				10/06/2016	-33994	Transfer	672662	1.32
				17/06/2016	-45247	Transfer	627415	1.23
				24/06/2016	-6020	Transfer	621395	1.22
				30/06/2016	-12761	Transfer	608634	1.19
				01/07/2016	-8959	Transfer	599675	1.18
				08/07/2016	-54354	Transfer	545321	1.07
				15/07/2016	-85596	Transfer	459725	0.90
				22/07/2016	-24467	Transfer	435258	0.85
				29/07/2016	-57500	Transfer	377758	0.74
		377758	0.74	31/03/2017			377758	0.74
9	Baron Emerging Markets Fund $	0	0.00	01/04/2016			0	0.00
				03/06/2016	75427	Transfer	75427	0.15
				10/06/2016	330521	Transfer	405948	0.80
				17/06/2016	344052	Transfer	750000	1.47
				08/07/2016	85500	Transfer	835500	1.64
				15/07/2016	89500	Transfer	925000	1.81
				25/11/2016	75000	Transfer	1000000	1.96
				16/12/2016	25000	Transfer	1025000	2.01
		1025000	2.01	31/03/2017			1025000	2.01

Sr. No.	Name of the Share Holder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the Year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
10	L & T Mutual Fund*#	958700	1.88	01/04/2016			958700	1.88
				29/04/2016	13200	Transfer	971900	1.91
				13/05/2016	5000	Transfer	976900	1.92
				23/09/2016	-2100	Transfer	974800	1.91
				30/09/2016	-290	Transfer	974510	1.91
				07/10/2016	-60940	Transfer	913570	1.79
				14/10/2016	-500	Transfer	913070	1.79
				21/10/2016	7800	Transfer	920870	1.81
				21/10/2016	-4730	Transfer	916140	1.80
				11/11/2016	5000	Transfer	921140	1.81
				02/12/2016	8400	Transfer	929540	1.82
				02/12/2016	-1240	Transfer	928300	1.82
				20/01/2017	-120700	Transfer	807600	1.58
				03/02/2017	-17100	Transfer	790500	1.55
				10/02/2017	-132219	Transfer	658281	1.29
				17/02/2017	-373181	Transfer	285100	0.56
				24/02/2017	-126000	Transfer	159100	0.31
				17/03/2017	-9000	Transfer	150100	0.29
				24/03/2017	25000	Transfer	175100	0.34
		175100	0.34	31/03/2017			175100	0.34
11	IFCI LTD #	935038	1.83	01/04/2016			935038	1.83
				17/06/2016	-75137	Transfer	859901	1.69
				24/06/2016	-48477	Transfer	811424	1.59
				30/06/2016	-99644	Transfer	711780	1.40
				01/07/2016	-50000	Transfer	661780	1.30
				08/07/2016	-59788	Transfer	601992	1.18
				30/09/2016	-175000	Transfer	426992	0.84
				07/10/2016	-25000	Transfer	401992	0.79
				16/12/2016	-50000	Transfer	351992	0.69
				20/01/2017	7000	Transfer	358992	0.70
				10/02/2017	-600	Transfer	358392	0.70
				17/02/2017	-6400	Transfer	351992	0.69
		351992	0.69	31/03/2017			351992	0.69

Sr. No.	Name of the Share Holder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the Year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
12	Tata Mutual Fund*$	268000	0.53	01/04/2016			268000	0.53
				29/04/2016	226000	Transfer	494000	0.97
				06/05/2016	117000	Transfer	611000	1.20
				13/05/2016	100000	Transfer	711000	1.39
				15/07/2016	75000	Transfer	786000	1.54
				22/07/2016	15000	Transfer	801000	1.57
				30/09/2016	45000	Transfer	846000	1.66
				28/10/2016	-14000	Transfer	832000	1.63
				11/11/2016	-14000	Transfer	818000	1.60
				10/03/2017	-7000	Transfer	811000	1.59
				17/03/2017	-18000	Transfer	793000	1.55
		793000	1.55	31/03/2017			793000	1.55
13	Nomura Singapore Limited $	415000	0.81	01/04/2016			415000	0.81
				07/10/2016	280830	Transfer	695830	1.36
				18/11/2016	9750	Transfer	705580	1.38
				09/12/2016	-48000	Transfer	657580	1.29
				06/01/2017	5000	Transfer	662580	1.30
				10/02/2017	12500	Transfer	675080	1.32
				17/02/2017	-25000	Transfer	650080	1.27
				24/03/2017	-2250	Transfer	647830	1.27
		647830	1.27	31/03/2017			647830	1.27
14	JP Morgan Indian Investment Company (Mauritius) Limited $	362028	0.71	01/04/2016			362028	0.71
				29/04/2016	50000	Transfer	412028	0.81
				13/05/2016	49949	Transfer	461977	0.91
				27/05/2016	98348	Transfer	560325	1.10
				07/10/2016	-64301	Transfer	496024	0.97
				03/02/2017	77082	Transfer	573106	1.12
		573106	1.12	31/03/2017			573106	1.12
15	Goldman Sachs India Limited $	538420	1.06	01/04/2016			538420	1.06
		538420	1.06	31/03/2017			538420	1.06

Note: *Date as mentioned aforesaid is the date of the shareholding statement i.e. the date on which the beneficiary position is downloaded.*

* *Holding under different Mutual Fund schemes.*

\# *A top ten shareholder as on 01.04.2016. However, ceased to be in the list of top ten shareholders as on 31.03.2017.*

$ *Not in the list of top ten shareholders as on 01.04.2016. However, appears in the list of top ten shareholders as on 31.03.2017.*

iv) Shareholding of Directors and Key Managerial Personnel during the FY 2016-17

Sr. No.	Name of the Share Holder	Shareholding		Date	Increase/ Decrease in Share holding	Reason	Cumulative Shareholding during the Year (01-04-16 to 31-03-17)	
		No. of Shares at the beginning (01-04-16)/end of the year (31-03-17)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Mr. Parveen Kumar Singhal President & Whole Time Director	6500	0.0127	01/04/2016			6500	0.0127
				03/06/2016	-500	Transfer	6000	0.0118
				24/06/2016	-1000	Transfer	5000	0.0098
				01/07/2016	600	Transfer	5600	0.0110
				07/10/2016	-1000	Transfer	4600	0.0090
		4600	0.0090	31/03/2017			4600	0.0090
2	Mr. Ajai Kumar* Shareholder Director	100	0.0002	01/04/2016			100	0.0002
		100	0.0002	19/09/2016*			100	0.0002
3	Mr. M. A. K. Prabhu* Shareholder Director	100	0.0002	01/04/2016			100	0.0002
		100	0.0002	19/09/2016*			100	0.0002
4	Mr. Amit Goela Shareholder Director	100	0.0002	01/04/2016			100	0.0002
		100	0.0002	31/03/2017			100	0.0002
5	Mr. Narendra Ahlawat Chief Regulatory Officer	8	0	01/04/2016			8	0
		8	0	31/03/2017			8	0
6	Mr. Ajay Puri Company Secretary	0	0	01/04/2016			0	0
				01/07/2016	210	Transfer	210	0.0004
				25/11/2016	200	Transfer	410	0.0008
		410	0.0008	31/03/2017			410	0.0008

** Mr. Ajai Kumar and Mr. M. A. K. Prabhu retired by rotation with effect from September 19, 2016.*

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In ₹

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		*Mr. Mrugank Madhukar Paranjape	Mr. Parveen Kumar Singhal	
1.	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	*29,667,646	17,607,588	47,275,234
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35,477	**125,582	161,059
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	Stock Option	N.A.	Included in 1(b) above	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit			
	- others			
5.	Others:	0	3,680,000	3,680,000
	- Company contribution towards PF	0	0	
	- Reimbursement of expenses	0	0	
	- Variable Pay	0	3,533,000	
	- Leave encashment	0	147,000	
	Total (A)	29,703,123	21,413,170	51,116,293
	Ceiling as per the Act 142,042,540	*(being 10% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)*		

Note: *The above mentioned remuneration excludes gratuity.*

* *Mr. Mrugank Madhukar Paranjape was appointed as Managing Director & Chief Executive Officer and identified as a KMP with effect from May 09, 2016 and his salary includes a joining bonus of ₹ 10,000,000/-*

** *Includes ESOP Perquisite of ₹ 90,105/-*

B. Remuneration to other Directors during the FY 2016- 17

1. Independent Directors(PID)

In ₹

Particulars of Remuneration	Mr. Satyananda Mishra	Mr. G. Anantharaman	Mr. Dinesh Kumar Mehrotra	Ms. Pravin Tripathi	Mr. Arun Kumar Nanda	Mr. Subrata Kumar Mitra	Dr. M. Govinda Rao	Mr. Saurabh Chandra	Mr. Prithvi Haldea	Mr. Arun Bhargava	Total
Fees for attending Board/ Committee meetings	855,000	720,000	330,000	1,515,000	1,185,000	1,185,000	975,000	1,065,000	735,000	660,000	9,225,000
Commission	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0
Total	**855,000**	**720,000**	**330,000**	**1,515,000**	**1,185,000**	**1,185,000**	**975,000**	**1,065,000**	**735,000**	**660,000**	**9,225,000**

2. Shareholder Directors

Particulars of Remuneration	Mr. M. A. K. Prabhu	Mr. Ajai Kumar	Mr. Amit Goela	Ms. Madhu Vadera Jayakumar	Ms. Padma Raghunathan	Mr. Hemang Raja	Mr. C. Jayaram	Total
Fee for attending Board/ committee meetings	240,000	420,000	570,000	720,000	690,000	765,000	465,000	3,870,000
Commission	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0
Total	**240,000**	**420,000**	**570,000**	**720,000**	**690,000**	**765,000**	**465,000**	**3,870,000**
Total (B) = (1+2)								**13,095,000**
TOTAL MANAGERIAL REMUNERATION (A+B)								**64,211,293**
Overall Ceiling as per the Act	*14,204,254*	*(being 1% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)*						
Overall Ceiling as per the Act	*156,246,794*	*(being 11% of the net profit of the Company calculated as per Section 198 of the Companies Act, 2013)*						

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD

In ₹

Sr. No.	Particulars of Remuneration	Mr. Ajay Puri	Mr. Sandeep Sarawgi*	Mr. Sanjay Wadhwa*	Mr. Vishwanathan Krishnan *	Mr. Narendra Ahlawat	Mr. Rahi Racharla	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,360,084	4,451,992	595,581	4,046,577	7,474,728	6,864,308	29,793,270
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	31,537	0	0	0	0	0	31,537
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	0	0	0	0	0	0	0
2.	Stock Option**	Included in 1(b) above	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0	0
4.	Commission	0	0	0	0	0	0	0
	- as % of profit							
	- others							
5.	Others:							
	- Company contribution towards PF	338,688	114,968	32,400	220,500	407,269	373,376	1,487,201
	- Reimbursement of expenses	0	0	0	0	0	0	0
	- Variable pay	450,000	0	0	2,000,000	0	1,106,000	3,556,000
	Total (A)	**7,180,309**	**4,566,960**	**627,981**	**6,267,077**	**7,881,997**	**8,343,684**	**34,868,008**

Note: *The above mentioned remuneration excludes gratuity.*

* *Mr. Sandeep Sarawgi ceased to be a CFO with effect from August 08, 2016 and Mr. Sanjay Wadhwa was appointed as the CFO with effect from February 27, 2017. Further, Mr. V. Krishnan ceased to be the Chief Regulatory Officer with effect from October 31, 2016.*

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding					
1.	Section 621A of Companies Act, 1956	Violation of Section 193 (1) of Companies Act, 1956 i.e., Maintained minutes of the Board Meeting & General Meeting in loose leaves and kept in binder. Pages of the Minutes were not dated and consecutively numbered.	Compounding fee of ₹9,600/- was imposed on the Company.	Regional Director– Western Region , Mumbai	–
2.	Section 621A of Companies Act, 1956	Violation of Section 301 (1) (e) and Section 301 (2) of Companies Act, 1956 i.e. No detail about Directors voted for or against and remained neutral were given and all Directors who had attended the meeting have not signed the register.	Compounding fee of ₹8,000/- was imposed on the Company.	Regional Director– Western Region, Mumbai	–
3.	Section 621A of Companies Act, 1956	Violation of Section 301 of Companies Act, 1956 i.e. Company has entered names of only few related parties and not all related parties in the registers maintained u/s 301	Compounding fee of ₹26,000/- was imposed on the Company.	Regional Director– Western Region, Mumbai	–
4.	Section 621A of Companies Act, 1956	Violation of Section 220 of Companies Act, 1956 i.e. Details under Section 217(2A) not provided as an attachment to Directors Report filed with ROC for the financial year ended 31.03.2011 & 31.03.2012	Compounding fee of ₹1,00,000/- was imposed on the Company.	Company Law Board (Dissolved); Copy of order awaited.	–
5.	Section 621A of Companies Act, 1956	Violation of Section 372A (1) of the Companies Act, 1956 i.e. Company exceeded the prescribed limits under Section 372A of the Companies Act, 1956, without approval of Shareholders by way of passing special resolution in a general meeting during FY 2010-11 & 2011-12.	Compounding fee of ₹1,00,000/- was imposed on the Company.	Company Law Board (Dissolved); Copy of order awaited.	–

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
6.	Section 621A of Companies Act, 1956	Violation of Section 372A(5) of the Companies Act, 1956 i.e. Investments made subject to provisions of section 372A with respect to mutual funds were not entered into investment register.	Compounding fee of ₹2,00,000/- was imposed on the Company.	Company Law Board (Dissolved); Copy of order awaited.	–
7.	Section 621A of Companies Act, 1956	Violation of Section 224(8) of the Companies Act, 1956 i.e. Remuneration to be paid to the auditors were not fixed in the general meeting of the shareholders. Further, the Board also did not fix the remuneration before audit work started and the entire payment of audit fee was rather ratified by the Board in their subsequent meeting.	Compounding fee of ₹1,00,000/- was imposed on the Company.	Company Law Board (Dissolved); Copy of order awaited.	–
8.	Section 621A read with Section 629A of Companies Act, 1956	Violation of Section 297 of the Companies Act, 1956 i.e. Board has not passed any specific resolution with regard to related party transactions but only noted directors committee discussion on related party transactions.	Compounding fee of ₹2,00,000/- was imposed on the Company.	Company Law Board (Dissolved); Copy of order awaited.	–
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman of the Board

Mumbai
July 13, 2017

ANNEXURE V

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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

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

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	Remark
(a)	Name(s) of the related party and nature of relationship	Multi Commodity Exchange Investor (Client) Protection Fund (IPF)
(b)	Nature of contracts/arrangements/transactions	Refer Note 1
(c)	Duration of the contracts/arrangements/transactions	Perpetual
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Refer Note 1
(e)	Date(s) of approval by the Board, if any	Refer Note 1
(f)	Amount paid as advances, if any	Nil

Note no.1:

Multi Commodity Exchange Investor (Client) Protection Fund (IPF) was formed for Compensating legitimate/eligible claims of Investors against any Defaulter Member, through whom they trade and/or who had undertaken to settle their trade, in accordance with the provisions hereof and Rules, Byelaws and Business Rules of the Exchange and/or the guidelines issued by FMC/SEBI in this regard.

The transactions with IPF Trust are regulated, in accordance with the regulatory requirements/guidelines issued from time to time. Further, the Company does not have any pecuniary relationship with IPF Trust, which is independently managed, except to comply with the regulatory requirements. In view of clarification given by the Institute of Chartered Accountants of India (ICAI), IPF is to be treated as a 'Related Party' and as such entails a reporting requirement without the other concomitance of Related Party Transaction Policy.

Further, the Board at its meeting held on May 05, 2016 granted omnibus approval for transactions being entered into with IPF during the financial year 2016-17. Also, the shareholders at its AGM held on September 19, 2016 accorded its approval for related party transactions entered into/to be entered into with IPF, during the financial year(s) 2016-17 and onwards.

For more details, please refer note no. 35 of Standalone Financial Statement.

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman

Mumbai
July 13, 2017

ANNEXURE VI

PERFORMANCE EVALUATION OF THE BOARD

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The annual evaluation process involved self-assessment by the Individual Directors, Chairman of the Company and the Chairman of the respective Board Committees. Further, the Independent Directors Committee evaluated the performance of the Non-Independent Directors, Chairman of the Company (taking into account the views of the Executive Director and the Non-Executive Directors), Board Committees and the Board as a whole. Thereafter, the Board evaluated the performance of each Independent Director, excluding the Director being evaluated. Subsequently, the Nomination and Remuneration Committee reviewed the reports of the Independent Directors Committee and the Board and further evaluated every Director's performance.

The criteria for performance evaluation, *inter alia*, include the following:

i. Individual Director's Performance Evaluation

Attendance at meetings, being informed and the extent of preparedness for meetings, participation and contribution, independence of judgment, knowledge updation, displaying initiative, working relationships and guidance to senior management and board members, expressing views, understanding of the Company, industry, sector, geography, etc.

Ii. Evaluation of the Board as a Whole

Proper mix of competencies, experience and qualification, adoption of proper, clear and transparent procedure to appoint directors, conducting meeting(s) on a regular basis, confirming agenda with all relevant information, providing entrepreneurial leadership to the Company, understanding of business, strategy and growth, responsibility towards stakeholders, risk management and financial controls, discussions through healthy debate, quality of decision making, monitoring performance of management, Reviewing the CSR initiatives, grievance redressal mechanism, analyse and examines governance and compliances related issues, maintaining high standards of integrity and probity, etc.

iii. Chairman's Performance Evaluation

Providing effective leadership, setting effective strategic agenda of the Board, encouraging active engagement by the Board members, providing guidance and motivation to the MD & CEO, impartiality in conducting discussions, establishing effective communication with all stakeholders, etc.

iv. Performance Evaluation of Board Committees

Sufficiency in the scope for addressing the objectives, effectiveness in performing the key responsibilities, adequacy in composition and frequency of meetings, quality of relationship of the committee with the board and the management, clarity of agenda discussed, discussion on critical issues, clarity of role and responsibilities, etc.

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman

Mumbai
July 13, 2017

ANNEXURE VII

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31St MARCH, 2017.

To

The Members

MULTI COMMODITY EXCHANGE OF INDIA LIMITED

Exchange Square, Chakala,

Suren Road, Andheri (East),

Mumbai – 400 093

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Multi Commodity Exchange of India Limited (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Multi Commodity Exchange of India Limited ("the Company") as given in **Annexure I**, for the Financial Year ended on 31st March, 2017, according to the provisions of:
   - (i) The Companies Act, 2013 (the Act) and the rules made there under;
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
   - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
   - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
     - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
     - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
     - (iii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
   - (i) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   - (ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   - (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   - (iv) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
   - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings were not applicable to the Company during the financial year under report.
4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the provisions of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, which is specifically applicable to the Company.

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

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of the Companies Act, 2013; and

   (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Except in case of meetings convened on an emergent basis, adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance. Further, the system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through. There were no dissenting views from any member.

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

We further report that during the year under report, the following event(s)/action(s) had a major bearing on the Company's affairs and in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

As reported in the Secretarial Audit Report for the Financial Year ended 31st March 2016, the Company, along with Financial Technologies (India) Limited (FTIL), an erstwhile promoter of the Company, held 41,59,17,672 warrants of ₹ 1/- each in Metropolitan Stock Exchange of India Limited (MSEL) and for the purposes of complying with SEBI Regulations, was required to dispose off the said warrants. Due to several factors reducing the marketability of MSEL's warrants, the Company was unable to dispose off the said warrants and had filed a case before the Bombay High Court. During the year under review, the Company negotiated an out of court settlement with MSEL, pursuant to which, the Company was issued and allotted 265,177,600 fully paid up Equity Shares of MSEL and an amount of ₹ 150, 740,072/- was released by the Prothonotary & Senior Master, High Court, Mumbai, in favour of the Company towards refund of the cancelled warrants.

For RATHI & ASSOCIATES
COMPANY SECRETARIES

Himanshu S. Kamdar
PARTNER
FCS NO. 5171
COP NO. 3030

Place: Mumbai
Date: 13th July, 2017

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

Annexure - I

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2016.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Investment Committee, CSR Committee and other Committees as per SEBI Regulations along with Attendance Registers held during the Financial Year under report.
4. Minutes of General Body Meetings held during the Financial Year under report.
5. Policies on Related Parties Transactions, Policies on Material Subsidiaries, Whistle Blower Policy, Corporate Social Responsibility Policy, Annual Evaluation Policy, Risk Management Policy, Nomination & Remuneration Policy, Code of Conduct for Independent Directors, Code for prevention of insider trading and Internal Financial Controls.
6. Statutory Registers viz.
   - Register of Directors & KMP
   - Register of Directors' Shareholding
   - Register of Employee Stock Options
   - Register of loans, guarantees and security and acquisition made by the Company
7. Notice and Agenda papers submitted to all the directors/members for the Board Meetings and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
9. Intimations received from Directors under the prohibition of Insider Trading Code.
10. e-Forms filed by the Company from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations/documents/reports/returns filed with the Stock Exchange pursuant to the provisions of SEBI Listing Regulations during the financial year under report.

Annexure – II

To
The Members
Multi Commodity Exchange of India Limited
Mumbai

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

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

For RATHI & ASSOCIATES
COMPANY SECRETARIES

Himanshu S. Kamdar
PARTNER
FCS NO. 5171
COP NO. 3030

Place: Mumbai
Date: 13th July, 2017

ANNEXURE VIII

Pursuant to the applicable requirements of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations), Section 62 of the Companies Act 2013 read with Companies (Share Capital and Debenture) Rules 2014, following disclosures as at March 31, 2017 are made in connection with the Employee Stock Option Scheme 2008 (ESOP 2008). These are to be read with the relevant notes to accounts wherein the relevant disclosures are made in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

a.	Shares allotted to MCX ESOP Trust	1,625,000 shares of ₹10/- each were allotted to MCX ESOP Trust under the "Employee Stock Option Scheme 2008 (ESOP 2008)", which was approved by the shareholders at the EGM held on February 27, 2008.
b.	Options granted by MCX ESOP Trust to employees	1,862,900* (no grants were made during FY 2016-17)
c.	Pricing Formula	For the options granted on July 2, 2008, August 23, 2008 and October 24, 2011, the pricing was on the basis of Valuation Reports obtained from an Independent Valuer/SEBI Registered Category I Merchant Banker, as applicable and post listing on BSE in March 2012, the pricing for options granted thereafter was at the latest available closing price at BSE prior to the date of respective grants.
d.	Exercise price per option	(see table below)

Sr. No.	No. of Options	Granted on	Exercise Price per option (₹)
1.	1,305,750	July 2, 2008	144.00
2.	7,500	August 23, 2008	144.00
3.	331,750	October 24, 2011	390.00
4.	10,000	October 03, 2012	1,282.75
5.	25,300	April 19, 2013	855.70
6.	10,000	February 19, 2014	516.50
7.	172,600	November 11, 2014	851.10

e. Maximum terms of options granted and the vesting requirements

The options granted can be exercised by eligible employees subject to vesting requirements. Out of the aforesaid, only two grants were subsisting as at March 31, 2017, with the following vesting schedule:

Date of Grant	Vest Months	Vest %	Maximum period of Exercise
April 19, 2013:	12	30	One year from the date of vest
	24	30	One year from the date of vest
	36	40	One year from the date of vest

Date of Grant	Vest Months	Vest %	Maximum period of Exercise
November 11, 2014:	12	10	One year from the date of vest
	24	20	One year from the date of vest
	36	30	One year from the date of vest
	48	40	One year from the date of vest

f.	Number of options outstanding at the beginning of FY 2016-17	162,190
g.	Options vested	1,518,009 (FY 2016-17 = 35,381)
h.	Options exercised	1,483,932 (FY 2016-17 = 43,988)
i.	Total number of shares arising as a result of exercise of option	1,483,932 (FY 2016-17 = 43,988)
j.	Total number of options lapsed	283,468 (FY 2016-17 = 22,718)

k.	Variations in the terms of options	The vesting schedule was modified by the shareholders resolution passed at the meetings held on August 1, 2009 and September 30, 2013, wherein the later provided for revision in the vesting schedule to 10%, 20%, 30% & 40% for the options granted on or after June 1, 2013. Consequent to the approval of the members in the EGM held on March 14, 2011 for consolidation and bonus, the Compensation Committee at its meeting held on March 25, 2011 has adjusted the options accordingly. Further, the shareholders at their meeting held on September 26, 2012 approved, *inter alia*, the revision in exercise period to one year for fresh options granted or to be granted on or after October 24, 2011 and at meeting dated September 23, 2014 approved, subject to the minimum vesting period of one year, amendment to the scheme by permitting the eligible employees to exercise all the Options granted but not vested and/or options vested but not exercised after the expiry of one year of attaining the age of superannuation or expiration of the contract including extension thereof, if any, as the case may be.
l.	Money realised on exercise of options	₹3,073.26 Lakhs (FY 2016-17 = ₹374.72 Lakhs)
m.	Total number of options in force/ outstanding at the end of FY 2016-17	95,484
n.	Number of options exercisable at the end of FY 2016-17	4,855
o.	Employee-wise details of options granted:	
	(i) Directors/Key Managerial Personnel/Senior Managerial Personnel.	Refer table on the next page
	(ii) Employees who have received a grant in any one year of option amounting to 5% or more of options granted during that year.	Mr. V. Hariharan, Mr. Paras Ajmera, Mr. Shreekant Javalgekar and Dr. Manoj Vaish**
	(iii) Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant.	Nil
p.	Diluted EPS	₹24.83
q.	Method used to account for Options	Fair Value Method
r.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on EPS of the company.	NA

s.	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:	The intrinsic value of each option granted on July 2, 2008, August 23, 2008, October 24, 2011, October 3, 2012, April 19, 2013, February 19, 2014 and November 11, 2014 is ₹ Nil. The estimated fair value of each option granted on July 2, 2008 and August 23, 2008 is ₹ 15.64 and ₹ 16.62 respectively. The estimated fair value of each option granted on October 24, 2011, October 3, 2012, April 19, 2013, February 19, 2014 and November 11, 2014 is ₹ 324.99, ₹ 342.64, ₹ 202.34, ₹ 181.47 and ₹ 363.18 respectively. The weighted average fair values for the options granted on July 2, 2008 and August 23, 2008 have been determined using the Binomial Option Pricing Model and the weighted average fair values for the options granted on October 24, 2011, October 3, 2012, April 19, 2013, February 19, 2014 and November 11, 2014 have been determined using the Black Schole Formula, considering the following parameters:

		July 2, 2008	August 23, 2008	October 24, 2011	October 3, 2012	April 19, 2013	February 19, 2014	November 11, 2014
(i)	Exercise price (in ₹)	90	90	390	1,282.75	855.70	516.50	851.10
(ii)	Expected volatility (%)	1	1	2.26	34.35	32.75	52.37	52.22
(iii)	Determination of expected volatility and the extent to which it was based on historical volatility	The measure of volatility used is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India permitted a non-public entity to omit expected volatility in determining fair value of its options. It also states that if a newly listed enterprise does not have sufficient information on historical volatility, it should nevertheless compute historical volatility for the longest period for which trading activity is available and recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The volatility in each of the case has been considered based on these recommendations.						
(iv)	Option life (in years)	3.5	3.5	1.5	2.6	2.6	3.5	3.5
(v)	Expected dividends	25%	25%	Not considered	Based on dividend declared prior to the date of grant			
(vi)	Risk free interest rate (%)	9.14	9.13	8.60	8.12	7.49	8.86	8.26
(vii)	Dividend yield (%)	–	–	–	1.87	2.80	4.65	1.17
(viii)	To allow for the effects of an early exercise, it is assumed that the employee would exercise the options after vesting date.			–	–	–	–	–

All options and the shares pursuant to the exercise of options have been computed after adjusting bonus and consolidation since institution of the employee stock option plan and fractional entitlements have been adjusted accordingly.

Notes:

* includes lapsed options available for re-issuance.

** Mr. V. Hariharan, Mr. Paras Ajmera, Mr. Shreekant Javalgekar and Dr. Manoj Vaish ceased to be Directors of the Company w.e.f. June 28, 2012, November 12, 2013, October 22, 2013 and May 10, 2014 respectively. Options granted to Mr. Shreekant Javalgekar and Dr. Manoj Vaish stood lapsed on account of their resignation from the Company.

Details related to Trust

(i) General information

Sl. No.	Particulars	Details
1	Name of the Trust	MCX ESOP Trust
2	Details of the Trustee(s)	Trustees as on March 31, 2017: Mr. Rajendra Gogate Mr. Dhawal Shah Mr. Sandeep Doshi Mr. Sunil Laad
3	Amount of loan disbursed by company/any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company/any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which company/ any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the Trust

Sl. No.	Particulars	Details
1	Number of shares held at the beginning of the year	185,054 shares
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
3	Number of shares transferred to the employees/sold along with the purpose thereof	43,988 shares transferred to employees upon exercise of their respective tranches being vested upon them in terms of the scheme
4	Number of shares held at the end of the year	141,066 shares

(iii) Secondary acquisition of shares by the Trust – N.A.

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman of the Board

Mumbai
July 13, 2017

Person-wise details of options granted to Directors/Key Managerial Personnel/Senior Managerial Personnel under ESOP 2008 as at March 31, 2017:

Name	Designation	Options granted in November 2014	Exercise Price (in ₹)	Options Granted in February 2014	Exercise Price (in ₹)	Options Granted in April 2013	Exercise Price (in ₹)	Options Granted in October 2012	Exercise Price (in ₹)	Options Granted in October 2011	Exercise Price (in ₹)	Options Granted in July 2008*	Exercise Price (in ₹)
Directors/KMP													
Mr. Mrugank Paranjape	Managing Director & CEO	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Mr. Parveen Kumar Singhal	President & Whole Time Director	6,000	851.10	0	N.A.	0	N.A.	0	N.A.	15,000	390	0	N.A.
Mr. Ajay Puri #	Company Secretary	2,100	851.10	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Mr. Sanjay Wadhwa	Chief Financial Officer	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Mr. Narendra Kumar Ahlawat	Chief Regulatory Officer	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Mr. Rahi Racharla	Chief Information Officer	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Senior Managerial Personnel other than above													
Dr. Venkatachalam Shunmugam	Head- Research	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	3,125	144
Dr. Raghavendra Prasad	Head - Corporate Legal	2,100	851.10	0	N.A.	0	N.A.	0	N.A.	4,500	390	0	N.A.
Mr. Rajendra Gogate	Head - Human Resources & Admin	1,300	851.10	0	N.A.	0	N.A.	0	N.A.	3,000	390	0	N.A.
Mr. Chittaranjan Rege	Head - Base Metal	1,300	851.10	0	N.A.	0	N.A.	0	N.A.	4,500	390	5,000	144
Mr. Naveen Mathur	Head - Business Development	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Mr. Girish Dev	Head - Strategy	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Ms. V N Saroja	Head - Training & Education	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.	0	N.A.
Mr. Deepak Mehta	Head - Energy & Agri	1,300	851.10	0	N.A.	0	N.A.	0	N.A.	4,500	390	3,125	144
Mr. Shivanshu Mehta	Head - Bullion	1,300	851.10	0	N.A.	0	N.A.	0	N.A.	2,000	390	1,875	144
TOTAL		**15,400**		**0**		**0**		**0**		**33,500**		**13,125**	

Note: * Options granted, options vested, options exercised and exercise price has been computed after adjusting consolidation and bonus since institution of the employee stock option plan.

\# Retired due to superannuation w.e.f. July 01, 2017.

For and on behalf of Board of the Directors

Saurabh Chandra
Chairman of the Board

Mumbai
July 13, 2017

ANNEXURE IX

REMUNERATION POLICY

Multi Commodity Exchange of India Limited (hereinafter referred to as the "Company") has adopted this Policy (the "Policy") on nomination and remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management Personnel and Other Employees pursuant to the provisions of Section 178(4) the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "Listing Regulations, 2015"] and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 [SECC Regulations 2012].

Objectives/Purpose of the Policy:

The policy has been framed keeping in view the following objectives/purpose:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully and to ensure long term sustainability of expert managerial persons and create competitive advantage;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration payable to directors, key managerial personnel and senior management involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and aligns with the longer term interests of the Company and its shareholders.

Definitions:

'Act' means the Companies Act, 2013 and includes the Rules framed thereunder.

'The Board' means the Board of Directors of the Company.

'Directors' means Directors of the Company.

'SEBI' means the Securities and Exchange Board of India.

'SEBI Procedural Norms' means the norms framed and as amended from to time by SEBI for the effective implementation of the SECC Regulations with respect to Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations and includes any clarifications thereto by SEBI from time to time.

'Independent Director' means a director referred to in Section 149(6) of the Act and rules thereunder as well as the Listing Regulations, 2015.

'Committee' means the Nomination and Remuneration Committee of the Company as constituted/reconstituted by the Board of Directors of the Company, in accordance with the Act and provisions of Listing Regulations 2015 and/or SEBI Procedural Norms.

'Key Managerial Personnel' (the "KMP") means:

- the Managing Director or the Chief Executive Officer or the manager and Whole-time Director;
- the Company Secretary;
- the Chief Financial Officer and
- any other person as identified by the Board.

'Remuneration' means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Listing Regulations, 2015 or the Accounting Standards shall have the meanings assigned to them in these Acts/Regulations.

APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT:

Appointment:

- **Criteria and qualifications:**

  The Committee shall identify and ascertain the integrity, qualification, expertise and relevant experience of the person for appointment as Director in terms of the Board Diversity Policy of the Company and recommend to the Board his/her appointment. A person to be appointed as director, KMP or in senior management should possess adequate qualification, expertise and relevant experience for the position he/she is considered.

  Additionally, while determining the qualifications and positive attributes for appointment of a person as a Director, the Committee shall also in addition to qualifications/disqualifications prescribed under provisions of the Act, take into consideration the factors defined by SEBI for a person to be "fit and proper".

  The independence of a director shall be determined based on the criteria defined from time to time in the Act, the Listing Regulations, 2015 and SEBI Procedural Norms or the SECC Regulations, 2012.

- **Manner of appointment and tenure:**

  The appointment and tenure of the Directors of the Company shall be as approved by SEBI and be further governed by the provisions of the Act, the Listing Regulations, 2015, SEBI Procedural Norms, the SECC Regulations, 2012 as well as the Articles of Association of the Company.

  The term of KMPs shall be fixed by the Committee and their appointment be governed by the provisions of the Act, the Listing Regulations, 2015, SEBI Procedural Norms, the SECC Regulations, 2012, etc.

  The appointment and tenure of Senior Management Personnel shall be governed by the prevailing HR Policy of the Company and the provisions of the Act, the Listing Regulations, 2015, the SECC Regulations, 2012, SEBI Procedural Norms, etc., if any.

Removal/Retirement:

Owing to disqualifications for any reasons mentioned in the Act or rules made thereunder or under any other Act, Rules and Regulations as may be applicable and subject to the prevailing HR Policy of the Company, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director/KMP/Senior Management Personnel, subject to the provisions and compliance of the said Act, Rules and Regulations.

The Whole Time Directors, KMPs and Senior Management Personnel shall retire/cease to hold office as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company or in terms of which such appointment was made. The Board will have the discretion to extend their term, even after their attaining the age of superannuation, for the benefit of the Company.

REMUNERATION OF DIRECTORS INCLUDING MANAGING/WHOLE-TIME DIRECTOR, KMPs AND SENIOR MANAGEMENT:

Remuneration of Executive Directors including Managing Director/Chief Executive Officer (CEO):

The remuneration payable to managerial personnel shall be in accordance the provisions of Section 197 read with Schedule V of the Companies Act, 2013 and the Rules made thereunder. The remuneration payable to them, shall upon recommendation by the Nomination and Remuneration Committee, be approved by the Board of Directors which shall be subject to the approval of shareholders of the Company and if required, of the Central Government.

At the time of seeking approval of SEBI for the appointment of the Managing Director/CEO, the Exchange shall also seek approval for his compensation from SEBI. Any change in the remuneration or conditions of service of Managing Director/CEO will also require prior approval of SEBI.

The Committee will determine the remuneration of Managing Director/CEO and recommend the same to the Board for its approval, taking into consideration the following factors:

a) Role and responsibilities of the Managing Director/Chief Executive Officer

b) Financial condition/health of the Exchange

c) Comparability to the industry standards

d) Revenues, net profit of the Exchange

   - average levels of compensation payable to employees in similar ranks
   - periodic review

e) Ensure that the variable component of the remuneration of Managing Director/Chief Executive Officer does not exceed one third of the total remuneration.
   - 50% of the variable component of the remuneration is paid only after the audited annual accounts for the year are approved by the Board of Directors and also subject to such payment being approved by the Board; and
   - the balance 50% of the variable pay will be paid on a deferred basis after three years.

   The payment of the entire variable component is subject to the provisions of 'malus' and/or 'clawback' provisions.
f) No incentives are provided for excessive risks in the short term.
g) 'Value Add' perceived by the Committee and Board based on the relevant experience of the candidate and his exposure to Commodity Market.

ESOPs and other equity linked instruments in the stock exchange/clearing corporation will not form part of the compensation for the key management personnel

Remuneration of Non-Executive Directors:

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof, as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, the Listing Regulations, 2015, the SECC Regulations, 2012 and other regulatory guidelines, as amended from time to time. Any change in sitting fees approved by the Board of Directors, be also placed before the shareholders of the Company for their approval, in case the requisite disinterested quorum is not present.

The Board considers the following factors while approving the change in the sitting fees to the Board members:

a) Contribution expected from Directors considering size and complexity of organization
b) Comparison with the peers/Industry benchmarking
c) Regulatory guidelines as applicable, etc.

The Non-Executive Directors are also entitled to reimbursement of expenses in lieu of arrangement made by the Exchange for participation in the meeting of the Board and the Committees thereof.

The Company does not pay any commission on profit to the Non-Executive Directors.

Independent Directors: As per the provisions of the Act, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of Section 197 of Companies Act, 2013 reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Remuneration of other KMPs and Senior Management:

The Committee shall fix and recommend the remuneration of other KMPs and Senior Management to the Board for its approval, taking into consideration the following factors:

a) Value added from time to time/their contribution to the Exchange growth
b) Financial condition/health of the Exchange
c) Comparability to the industry standards
d) Revenues, net profit of the Exchange
   - average levels of compensation payable to employees in similar ranks
   - periodic review
e) Ensure that the variable component of the remuneration of other KMPs and Senior Management does not exceed one third of the total remuneration.
   - 50% of the variable component of the remuneration is paid only after the audited annual accounts for the year are approved by the Board of Directors and also subject to such payment being approved by the Board; and
   - the balance 50% of the variable pay will be paid on a deferred basis after three years.

   The payment of the entire variable component is subject to the provisions of 'malus' and/or 'clawback' provisions.
f) No incentives are provided for excessive risks in the short term.
g) 'Value Add' perceived by the Committee and Board based on the relevant experience of the candidate and his exposure to Commodity Market.

ESOPs and other equity linked instruments in the stock exchange/clearing corporation will not form part of the compensation for the Key Management Personnel.

Malus and clawback arrangements:

As defined in SEBI Procedural Norms,

- A malus arrangement permits the stock exchange/clearing corporation to prevent vesting of all or part of the amount of a deferred remuneration.
- A clawback is a contractual agreement between the employee and the stock exchange/clearing corporation in which the employee agrees to return previously paid or vested remuneration to the stock exchange/clearing corporation under certain circumstances.

The aforesaid clauses shall be triggered under the following circumstances:

a. Fraud
b. impersonation
c. Gross negligence which have caused or may cause significant financial loss or reputational harm to the Company
d. Misfeasance
e. Any act amounting to criminal breach of trust
f. Conviction for an offence involving moral turpitude
g. Breach of confidentiality in trade secret
h. Ethical misconduct
i. Fraudulent financial reporting
j. Overstating or misstating financial indicators or of the performance criteria either at the Company level or individual level with a view to get increased variable pay
k. Non-compliance or insubordination in adhering to regulatory/policy guidelines
l. Such other circumstances as the Committee and/or Board may decide.

Remuneration payable to Senior Management Personnel shall be fixed by the Committee based on standard market practices and prevailing HR practices of the Company based on candidate's qualification, experience, remuneration paid to other Senior Managerial Personnel in same grade.

Remuneration of other Employees of the Company:

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

ANNEXURE X

Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Requirements	Disclosure
I	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016 -17	MD – 22X President & WTD – 17.92X CS – 7.5X CFO* – 3.76X CIO – 8.75X CRO – 9X
II	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ^	MD- NA President & WTD – 28.5% CS – 12% CFO – 0% CIO – 7.15% CRO – 12%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 11.5%. The calculation of % increase in Median Remuneration is done based on comparable employees.
IV	The number of permanent employees on the rolls of Company	There were 326# employees as on March 31, 2017
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	% increase of S1 Category i.e. office assistant was 14% as compared to 11.88% in managerial remuneration % increase.
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes. It is confirmed.

* *The ratio is based on that fact that CFO was on board for a period of 5 months of the year.*

^ *Also includes the KMPs as identified by the Board under the Companies Act, 2013*

\# *The employee count in Point IV includes only confirmed employees and excludes probationers & trainees.*

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman

Mumbai
July 13, 2017

ANNEXURE XI

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the employee	Age	Qualification	Designation of the employee	Total Remuneration (in ₹)	Approx. experience (in years)	Date of commencement of employment	Last Employment
A.	**Employed throughout the Financial Year**							
1	Mr. Parveen Kumar Singhal	62	Bachelor's degree in Commerce, Master's degree in Business Administration, Certification in Capital Markets and Diploma in Business Finance	President & Whole Time Director	₹2,14,13,170/-	41	1-Dec-09	Sr. Vice President & Head (North), MCX Stock Exchange Limited
2	Mr. Ajay Puri	60	Bachelor's degree in Commerce, Company Secretary, Bachelor's degree in Law	Company Secretary	₹71,44,309/-	32	30-Dec-13	LSI Financial Services Private Limited, President
3	Mr. Narendra Kumar Ahlawat	55	Chartered Financial Analyst, Post Graduate Diploma in Rural Management	Chief Regulatory Officer	₹78,74,925/-	31	31-Mar-14	CTO and Head Operations, MCX Stock Exchange Limited
4	Mr. Chittaranjan Rege	44	Masters of Business Administration	Head – Base Metal	₹59,37,257/-	21	1-Dec-06	Hindalco Industries Ltd, Manager
5	Mr. Rajendra Gogate	57	Bachelor's degree in Commerce, Diploma in Business Management	Head – Human Resources & Admin	₹58,65,263/-	35	26-Jul-07	Tata Teleservices, General Manager - Facilities
6	Mr. Shivanshu Mehta	41	BE, Post Graduate Diploma in Business Management	Head – Bullion	₹55,92,535/-	18	1-Mar-07	National Commodities and Derivatives Exchange, Assistant Vice President - Metal
7	Mr. Deepak Mehta	44	BE- Mechanical, Masters of Business Administration	Head – Energy & Agri	₹54,47,263/-	19	28-Nov-05	Mahanagar Gas Ltd, Assistant Manager
8	Dr. Raghavendra Prasad	51	Bachelor's degree in Commerce, Master's degree in Law, PhD	Head – Legal	₹59,92,916/-	25	23-Jul-08	Security & Exchange Board of India, Dy. Legal Advisor
9	Mr. Rahi Racharla	51	Bachelor's Degree in Technology, MS Computer Science	Chief Information Officer	₹83,43,684/-	26	16-Dec-15	JP Morgan Chase, Executive Director
10	Dr. V Shunmugam	48	Master's degree in Science, PhD	Head – Research	₹46,05,500/-	19	7-Mar-16	Nomura Research Institute, Chief Business Officer

Sr. No.	Name of the employee	Age	Qualification	Designation of the employee	Total Remuneration (in ₹)	Approx. experience (in years)	Date of commencement of employment	Last Employment
B.	**Employed for part of the Financial Year**							
1	Mr. Mrugank M Paranjape	50	Bachelors of Electrical Engineering – IIT, Post Graduation – IIM, Ahmedabad	MD & CEO	₹2,97,03,123/-	27	9-May-16	Managing Director, Deutsche Bank A.G.
2	Mr. Sandeep Kumar Sarawgi*	48	Bachelor's degree in Commerce and Chartered Accountant	Chief Financial Officer	₹45,64,278/-	23	1-Apr-14	Chief Finance and Risk Officer, Antwerp Diamond Bank
3	Mr. Sanjay Wadhwa	44	Chartered Accountant, Company Secretary, Chartered Financial Analyst & Cost & Works Accountant	Chief Financial Officer	₹6,25,756/-	18	27-Feb-17	Chief Financial Officer, Reliance Money
4	Mr. Girish Dev	44	Bachelors of Commerce	Head- Strategy	₹22,13,820/-	22	1-Dec-16	Geofin Comtrade Ltd. (GCL), MD & CEO
5	Mr. Naveen Mathur	46	Chartered Financial Analyst, Post Graduate Diploma in Financial Management, Bachelor's degree in Commerce	Head- Business Development	₹34,18,022/-	22	6-Oct-16	Angel Broking Limited, Associate Director- Commodities & Currencies Businesses
6	Ms. V N Saroja	49	Post Graduate Diploma in Management, Bachelors of Arts in Mathematical Statistics	Head- Training & Education	₹28,72,414/-	27	17-Oct-16	Indian Agribusiness Systems Private Limited, Chief Executive Officer

*Resigned thereafter

1. The above list also includes the disclosure pertaining to the Key Managerial Personnel as stipulated under Regulation 27(5) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
2. Remuneration includes salary, reimbursement, taxable value of perquisites etc. excluding gratuity.
3. Mr. Parveen Kumar Singhal was appointed as the Joint Managing Director w.e.f. October 14, 2014 for a period of three years. Subsequently, he was re-designated as the President and Whole Time Director w.e.f. April 01, 2016
4. Mr. Mrugank M Paranjape was appointed as the MD&CEO of the Company w.e.f. May 09, 2016 for a period of three years.
5. All other employees mentioned above are in permanent employment of the Company, governed by employment terms & service rules.
6. None of the above employee is a relative of any Director of the Company within the meaning of relative under Companies Act, 2013.
7. None of the employee was drawing salary in excess of that drawn by Managing Director/ Whole Time Director.
8. As at March 31, 2017, none of the above employee by himself or along with his spouse and dependent children, held 2% or more of the equity shares in the Company as referred to in sub-clause(iii) of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
9. As at 31st March, 2017 none of the employees of the Company are posted and working in a country outside India.

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman

Mumbai
July 13, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

During the year 2016-17, the Indian economy continued its journey towards restoring macro-economic stability. Despite the global sluggishness, economic growth continued to be robust as inflation remained stable, while key macro parameters such as Fiscal Deficit and Current Account Deficit, improved – estimated at 3.5 percent and 0.7 percent of GDP respectively, by the end of the year. The IMF revised India's growth forecast to 6.8% in FY17, a decline from the official advance estimates of 7.1%. Measured in terms of Gross Value Added (GVA) at constant prices, agriculture grew at 4.9%, while manufacturing recorded a growth of 7.9% in 2016-17. Among the services sector, growth rate of 'financial, real estate & professional services' remained at 5.7% during the year.

GLOBAL COMMODITY MARKETS

The global derivatives exchange industry grew by 1.7% during 2016 to touch a new annual record of 25.22 billion lots, according to FIA (Futures Industry Association) Annual Volume Survey, 2016. While the growth was much less than the 13.5% growth seen in 2015, global markets managed to set a new record and cross the previous high set in 2011, when volume reached 24.98 billion lots. Futures trading hit a new record of 15.89 billion contracts and accounted for 63.01% of the total trading volumes in 2016.

Region-wise, while Asia-Pacific accounted for largest share (36%) of volumes, trading activity in the region fell by 5.3% to 9.18 billion. By contrast, trading activity in other regions grew, with North America growing by 4.8% to 8.59 billion contracts, Europe by 8.0% to 5.18 billion contracts and Latin America by 11.3% to 1.62 billion contacts. (Table 1)

Table 1: Global Futures and Options volumes by region (in million contracts)

Region	CY 2015	CY 2016	% Change
Asia-Pacific	9,697	9,181	5.3
North America	8,199	8,590	4.8
Europe	4,796	5,181	8.0
Latin America	1,451	1,615	11.3
Other	658	654	-0.6
Total	**24,801**	**25,220**	**1.7**

Source: *2016 FIA Annual Volume Survey, March 2017*

Contracts based on interest rates and commodities displayed the highest growth during 2016, with agricultural, non-precious metal and energy categories being the major engines of growth in Calendar Year (CY) 2016. The total number of commodity contracts, which include futures and options on energy, agriculture, precious metals and non-precious metals rose by 36.3% to 6.33 billion lots in CY 2016 from 4.65 billion lots in CY 2015. On a combined basis, commodity futures and options now account for almost 25% of global exchange traded derivative volumes. (Table 2)

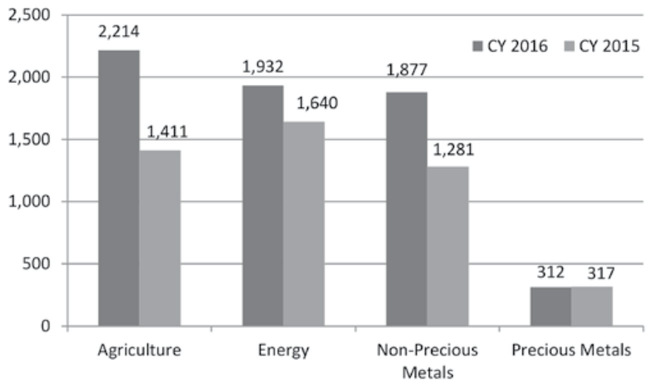
Table 2: Category-wise global derivatives volume (in billion contracts)

Category	CY 2015	CY 2016	% Change
Equity Index	8,340	7,117	-14.7
Individual Equity	4,945	4,557	-7.8
Interest Rates	3,251	3,515	8.1
Currency	2,797	3,078	10.0
Agriculture	1,411	2,214	56.9
Energy	1,640	1,932	17.8
Precious Metals	316	312	-1.4
Non-Precious Metals	1,281	1,877	46.6
Others	820	616	-24.9
Total	**24,801**	**25,220**	**1.7**

Source: *2016 FIA Annual Volume Survey, March 2017*

Agricultural derivatives witnessed strong growth, with volumes rising 56.9% to 3.5 billion contracts in 2016. While non-precious metals volumes surged 46.6% to 1.8 billion contracts, energy volume rose 17.8% to 1.9 billion contracts in 2016. (Figure 1)

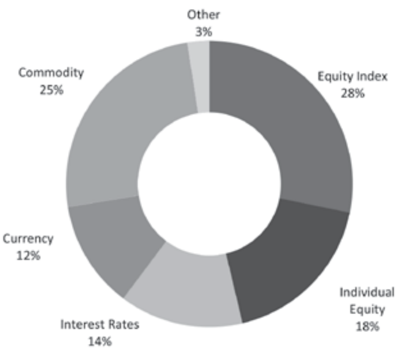
Figure 1: Category-wise global commodity derivatives volume (in million contracts)



Source: *2016 FIA Annual Volume Survey, March 2017*

Overall in 2016, commodity derivatives remained the next most traded category after equity indices derivatives trading, well-above derivatives trading in interest rates, currencies and others. (Figure 2)

Figure 2: Category-wise distribution of exchange traded derivatives

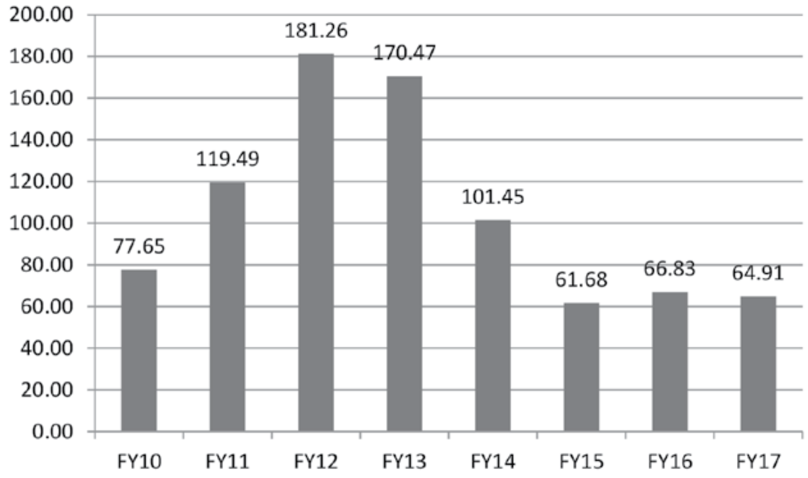


Source: *2016 FIA Annual Volume Survey, March 2017*

INDUSTRY STRUCTURE AND DEVELOPMENT

Volume growth in the Indian commodity derivatives market moderated by 3% in 2016-17. The total value of commodity futures traded by all national commodity exchanges was ₹64.91 trillion in the year, as against ₹66.83 trillion in the previous year.

Figure 3: Turnover of the Indian Commodity Futures Exchanges (₹ trillion)



Source: *Data maintained by Regulator*

OPPORTUNITIES AND THREATS

As evident from the continued growth of the Indian economy, as well as continued reforms being witnessed in the commodity derivatives market, your Company sees a number of opportunities which can be reaped as and when they present themselves. A number of these opportunities have arisen from policy action directed at the growth and development of the commodity derivatives market. While presenting the Union Budget for 2017-18, the Hon'ble Finance Minister announced the setting up of an expert committee to study and promote the creation of an operational and legal framework to integrate spot market and derivatives market in the agricultural sector. This is a major opportunity for your Company as this can usher in the benefits of electronic markets for commodities to all stakeholders. More significantly, the Union Budget also indicated the integration of the commodities and securities derivative markets by "*integrating the participants, brokers and operational frameworks*." It is expected that the integration of participants would ease the introduction of new participant classes such as financial institutions in commodity derivatives market.

The potential market participants look at the impact cost of trade as an important parameter for trading on an exchange platform. This is a direct function of the liquidity on the exchange. A vibrant commodity derivatives platform can be created on your Company if access is provided to a large variety of participants who can also provide access to its existing large clientele. This can inject liquidity, lower the impact cost, and make the market more attractive for other participants. Thus a virtuous cycle which can be created by the entry of financial institutions in the commodity derivatives market. A significant beginning has been made in this regard by grant of permission by SEBI to Category III Alternative Investment Funds (AIFs) to trade in commodity derivatives. This opens opportunities for your Company as it offers a platform to AIFs to trade and invest in an asset class which was not available to them so far. MCX is optimistic that other financial institutions, especially those regulated by SEBI, will, in due course be allowed to trade in the commodity derivatives market.

The other significant policy change has been the permission granted by SEBI to launch option trading on commodity futures. This category of derivative products, akin to pure insurance products, will meet the risk management requirements of a very large class of stakeholders. The launch of option trading will fulfill a long standing demand. So far, the regulator has allowed Options in one agricultural commodity and one in non-agricultural commodity, to be selected from the top five traded commodity futures contracts on the exchanges. Your Company is geared to reap this opportunity by launching an Options product at the earliest subject to regulatory approval.

The introduction of Goods and Service Tax (GST) is a significant step in the field of indirect tax reforms in India. It can have several positive ramifications for the commodity markets by making the markets more relevant to stakeholders spread across the nation. GST envisages a "One India – One Tax – One Market" and with removal of differential state-specific taxes, a larger pan-India market for commodities can be created. This will enable seamless transportation of commodities across state borders, help in building efficient linkages between the spot and derivatives markets and enhance the relevance of exchange discovered prices to the entire trading ecosystem. It would connect the exchanges delivery with more buyers from across the nation as the logistics improve and help in setting up additional delivery centres, thus giving a boost to derivatives trading in commodities.

In the case of bullion, for instance, GST on gold bars / jewellery has been fixed at 3% against the present 2.2% (1% excise & 1.2% VAT in Maharashtra). Currently, there is no VAT (rate varies from state to state) set off in case of interstate transfer of Gold / Silver. Set off is available only if it is transacted within the same state. The GST regime will facilitate a smooth flow of tax credit and uniformity in tax will permit easy movement of gold from the place of delivery to the destination. Credit of input tax, being the crux of GST initiative, will ensure wider inclusion of tax payers in the supply chain. Under-invoicing will be disincentives. The chain from primary sellers to the final consumers will leave little room for tax evasion leading to increase in the share of organised participants. Your Company sees this as an opportunity for the growth and development of its bullion derivative product suite.

An area of potential threat from GST is the lack of clarity regarding 'electronic commerce' and its applicability to commodity exchanges and delivery procedures. As per the definition of 'Electronic Commerce', its scope is very wide and does not restrict itself to cover E-commerce marketplace service providers, but covers all businesses where the supply of goods / services is through a digital or electronic network. This leaves the definition open to interpretations by various tax authorities, which may treat commodity exchanges as an electronic commerce operator, and apply the GST rules as such. Such an interpretation would obligate commodity exchanges to collect advance tax to be deposited with the tax authorities. Your Company has raised this concern with CBEC and GST authorities at appropriate levels.

MCX'S BUSINESS OVERVIEW IN 2016-17

During the year 2016-17, your Company clocked an average daily turnover of ₹225.60 billion (single side) as against ₹219.23 billion achieved during the previous fiscal. The total turnover of the Company stood at ₹58.66 trillion in FY 2016-17, as compared with ₹56.34 trillion in the previous year. Your Company could achieve this despite challenges such as a prolonged strike by jewellers, cancellation of the 'legal tender' status of high-denomination currency, etc. and this achievement can be attributed to continuous support of our stakeholders.

Your Company's standing among the commodity futures exchanges of the world also continued to be strong. As per the Annual Volumes Survey for 2016 of the Futures Industry Association (FIA), MCX was ranked as world's 7th largest commodity futures exchange by the number of contracts traded. Significantly, among all exchanges across all asset classes, MCX's rank continued to improve. While the Exchange was ranked 24th in 2014, it rose to 22nd in 2015 and was at 19th position in 2016, according to FIA. We are positive that with the introduction of new products as well as new commodities in existing products, MCX's northward journey in ranking would continue in the future.

MARKET DEVELOPMENT INITIATIVES

During the year 2016-17, your Company undertook a number of initiatives for the development of the market and to propagate the benefits of trading on the transparent platform of commodity derivatives exchanges. Continuing with the intense outreach efforts of earlier years, the Company undertook a number of measures to educate potential hedgers on the benefits and modalities of hedging.

During 2016-17, your Company conducted 411 awareness programmes across the country, in addition to regular interactions of senior exchange officials with various stakeholders of the markets. These programmes created awareness on the need and benefits of managing price risks by trading on commodity futures exchanges, besides training participants in hedging techniques, trading strategies, and technical analysis, etc. Separately, your Company also conducted 208 farmers' training programmes, covering 7114 farmers during the year, in its efforts to reach out to the farming community about the need and benefits of hedging using exchange-traded derivative instruments. Your Company also conducted awareness programmes for students in 5 institutions, apart from workshops and conferences for specific target groups. Targeting bankers, for instance, workshops were conducted at the Centre for Advanced Financial Research and Learning (CAFRAL), Mumbai and State Bank Academy, Gurugram, during the year. Besides, with the imminent introduction of Options products on commodity futures, your Company is conducting a large number of training programs on Options trading, including daily webinars, to hand-hold potential market participants to trade in these new derivative products.

MCX engages with print and electronic media to create awareness and sensitise policymakers on various issues affecting the market. The Company has been providing its thought leadership through experts' insights on various aspects of the commodity market through the *Forum Views* (a publication of the BSE Brokers Forum), *Dalal Street Investment Journal, Metals and Minerals Review, ASSOCHAM Bulletin, Offshoreworld* and various magazines, mainstream national / regional newspapers and trade publications. Another tool that enables the Company to engage with the commodity market participants is its periodic newsletters. MCX publishes three monthly newsletters, *CommNews, Commodity Connect* and *Research Digest* and a weekly newsletter, *Commodity Updates Weekly*. These publications endeavour to make the learning process more effective by providing insights on commodity markets, commodities, policies, regulations, data releases and all recent developments in the international and domestic markets along with an analysis of their effects. All four newsletters are widely circulated and uploaded on the website for widespread access to all the empowered stakeholders giving the exchange disseminated outreach initiatives an extra mile. The Company also publishes commodity-specific brochures on hedging to educate the current and potential hedgers on the need and modalities of hedging. For wide dissemination of the knowledge on hedging, the Hedging Brochures are also uploaded on the website.

STAKEHOLDER ENGAGEMENTS

MCX regularly engages with trade bodies and relevant stakeholder associations of the commodity markets for policy advocacy and market development. Often, such engagement takes the form of active participation in events organised by these bodies. Some of the major events that the Company participated in during 2016-17 included the FIA International Futures Industry Conference, 2017; FT Commodities Global Summit 2017, Conference of the World Federation of Exchanges, etc.

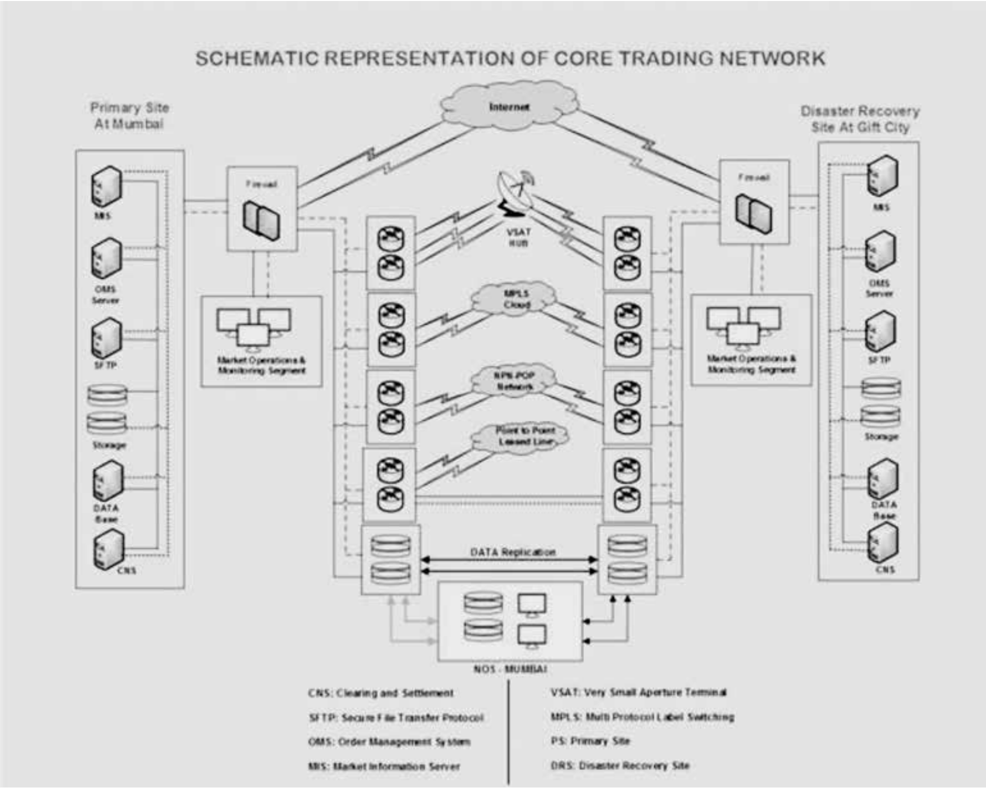
To provide a platform which honours excellence in the commodity derivatives market and recognizes the performance of commodity market stakeholders, your Company hosted the first 'MCX Awards' on May 05, 2017. 26 awards were given out under six different categories viz. Commodity Broker of the Year, Regional Broker of The Year, Fastest Growing Broker of The Year, among others, to the participants. Given the overwhelming response and positive feedback we received for the MCX Awards 2017, your Company has decided to host the awards annually.

Your Company also engages in responsible policy advocacy, making policymakers, media and the relevant opinion leaders aware of the policy-based issues affecting India's commodity derivatives market. These includes factors which hamper inclusive growth of the market and its ability make Indian markets a price setter for commodities of economic significance. These efforts are substantiated with evidence garnered from research studies, conducted either internally or in association with premier academic and research institutions, to assess the socio-economic implications of its products, and any other factors affecting the market. A gist of some of the major research studies completed during the year is provided in Annexure I. For the purpose of policy advocacy, a roundtable was organized under the aegis of the Indira Gandhi Institute for Development Research, which included participants from various financial institutions, Reserve Bank of India, SEBI and academicians, for engaging stakeholders on the need and modalities for allowing and encouraging institutional participation in India's commodity derivatives market.

ROLE OF TECHNOLOGY

The Company strives to achieve sustainable growth by coalescing product innovation with cutting-edge technology in order to enhance access and participation. Technology is the backbone of the Company's business, and the Exchange's consistent efforts to upgrade and enhance its technology systems, has helped it to stay ahead in the dynamic commodity business.

The Company has deployed scalable architecture capable of adapting to innovations and new market solutions. A well-designed system along with a structured technology road map ensures reliability, scalability, security and functionality of its trading system. The Exchange has kept pace with rapid technological developments and changes. It is focused on developing, implementing and maintaining enhanced functionalities required by its members, while ensuring that such technology is not vulnerable to security risks. The upgraded version of the Exchange system has enabled it to handle peak volumes with ease. At present, it has a handling capacity of 40,000,000 transactions (Orders and Trades put together) per day, which is well above the record volumes witnessed by the Exchange till date.



The Company's technological infrastructure is built on the next generation technology, which can cater to all market participants by virtue of being fast, secure, cost effective, transparent and regulated. This has enabled the Exchange to attain and retain its members' confidence and market leadership on a consistent basis. The Exchange's online trading platform is accessible to Members through trader workstations (TWS) or computer-to-computer links (CTCL), over a Nationwide Private Network through Point of Presence (NPN-POP) connectivity, Point to Point and MPLS leased lines, satellite data connections (VSATs), and the internet, over secure Virtual Private Networks (VPN). MCX has adopted a multi-level defence-in-depth security strategy at our facilities. The Disaster Recovery site is located at GIFT City, Gandhinagar.

The robust technology of the Exchange enables it to adopt market safeguards through real time risk monitoring system and execution of adequate mechanisms that track members' margin utilisations and mark-to-market (MTM) losses online, against their deposits made available to the Company. The system automatically generates alerts and takes pre-decided actions.

MEMBERSHIP

As on March 31, 2017, the Company has national reach with 689 members who have, applied for SEBI registration, having 49,791 Authorised Persons, operating through 6,31,270 terminals including Computer to Computer Link (CTCL) across 1,284 cities / towns across India.

RISK MANAGEMENT

The Company uses market safeguards and risk management techniques to ensure that its members meet their financial obligations promptly and Exchange is protected from undesirable events. Some of the risk management mechanisms are listed below:

Insurance Coverage:

To minimise operational risks, the Exchange advises its members to avail Indemnity Insurance Policy. The policy provides indemnity in respect of members' erroneous transactions, forgery, dishonesty of employees, computer crimes, electronic transmissions and electronic securities.

Minimum net worth requirements:

The Exchange necessitates all its members to have a certain minimum net worth. Members are required to confirm their net worth on an annual basis, which enables the Company to monitor and ensure their financial strength.

Margin Requirements:

To mitigate risks associated with daily price movements in commodities, the Exchange imposes margins. The Company necessitates members to pay a security deposit at the time of registration, which serves as the initial deposit. Members are required to place collateral deposits to avail margin limits. The initial margin requirement is computed using SPAN™, which is a portfolio-based margining system used under license from CME, to identify the overall risk in a portfolio of contracts for each client of a member. The margins are applicable at the client-level and grossed up at the member-level. Further, once a member's margin utilisation breaches the eligible deposits available with the Exchange, the system automatically shifts such member to square-off mode, where no order that can create any fresh position is accepted by the system. The system only allows order(s) which can reduce or liquidate the member's outstanding position. This is monitored online on a real time basis by the system.

Mark-to Market (MTM) loss Monitoring:

The trading system of the Exchange tracks losses incurred by a member on a real-time basis by comparing the difference between the contracted price / previous settlement price and the last trade price on the market. Alerts are transmitted to a member whenever the member's MTM loss amounts exceed certain percentages of the MTM limit.

Warehousing:

Warehousing is a key element in instrumenting all physical deliveries happening on Exchange platform. Of all the agriculture and non-agriculture commodities being traded on MCX, physical deliveries in four agriculture commodities which includes Mentha Oil, Castor Seed, Cotton and Cardamom have been observed in past. These deliveries happen at various delivery centers spread across India which includes locations in Uttar Pradesh, Gujarat, Maharashtra, Kerala, Telangana and Haryana. MCX handles these physical deliveries through its logistics arms who are basically Exchange accredited warehouse service providers (WSPs). WSP's are empanelled on MCX on the basis of SEBI's criteria and guidelines. At present, MCX has 3 WSPs viz. Sohanlal Commodity Management Private Limited, Origo Commodities India Private Limited and Yamada Logistics Private Limited. These WSPs operate Pan India, as per warehousing policy guidelines laid down by MCX. Their key responsibility includes ensuring proper intake of commodity from the depositor, management of quality during storage and delivery to client as per Simplified Operating Procedures defined for Exchange operations. WSPs are accountable of any quality or quantity loss arising due to poor storage management or negligence. In case of losses to stock arising due to natural calamity or incidents like theft, fire etc., such losses are settled to the owner of stock by the WSPs through their insurance policy. In 2016-17, MCX delivery centers were present in 7 states spanning over 13 locations with 32 warehouses.

All these warehouses are accredited by Warehouse Development and Regulatory Authority which is the apex regulatory body for agriculture warehouses in India. MCX also appoints assaying agencies which assays all the incoming material which gets delivered on Exchange and ensures that it meets Exchange prescribed specifications.

In case of non-agriculture commodity, delivery happens mostly in Bullion i.e. Silver and Gold. Herein, MCX has appointed Vaults Service Providers at 3 delivery centers which are primarily Ahmedabad (Gujarat), Mumbai and Delhi to handle the physical delivery of bullion. At present, MCX has empanelled Sequel Logistics Pvt Ltd., which provides vaulting solution for all the physical deliveries at the 3 centers. All these stocks are insured by the service provider and as in case of WSPs, these vaults service providers are accountable for any quantity related risk of these commodities.

All transactions are reported real time by these service providers. There are regular periodic stock reports including daily stock report, stock valuations and insurance updates, Warehouse Utilization report, Monthly audit report from these service providers. Apart from this, warehouse operations team does random visits and audits of these locations to check the stock, warehousing storage condition, process implementation on ground by the service providers for better control.

OUTLOOK

As noted above, a slew of positive policy developments in recent months have led to liberalization in the commodity derivatives market and its regulatory framework, giving way to a positive outlook for your Company in the near future. By permitting options trading in commodities, SEBI has provided an opportunity to risk averse physical market players to manage their risks which will also immensely benefit the Small and Medium Sized Enterprises and farming community. They can seek risk management solutions on transparent and regulated platforms offered by your Company. Similarly, following the decision of the Union Government to move towards integration of the securities and commodity markets, SEBI has moved towards common registration of members in these markets. This is a step towards making the commodity markets investor-friendly, as it will reduce the need to ensure multiple documentations and bring their risk management and services standards on par with their capital market counterparts. The concomitant reduction in compliance costs can surely incentivise your Company's member brokers to focus their energies on bringing the excluded classes and geographies, into their fold.

While the positive policy actions taken so far can lead to dynamism in India's commodity derivatives market and ramp up volumes on the MCX platform, a few more reform measures are necessary. One of the missing elements in the commodity market is the absence of banks and bank-owned subsidiaries providing broking, custodial, or clearing services to the exchange-traded commodity derivatives market. Given the strong presence of these institutions in the other segments in the securities market and their wherewithal to reach out to the excluded classes of the public and provide multifarious and cost-effective services, they need to be permitted in the commodity derivatives market too.

Another policy reform that the commodity market needs is the rationalisation of the Commodity Transaction Tax (CTT). In its current form, the transaction tax, which is the single largest component in the cost of transactions, has disincentivised the commodity derivatives market there by impeding it to avail the opportunity to emerge as a 'regional trading hub'. Significantly, some research studies have proven that CTT has been revenue negative. The collection from this tax has failed to compensate for the loss from lower income, corporate and service taxes as a result of the steep fall in volumes. The outlook of your Company and India's commodity markets in general would improve if CTT is rationalised to a level which reflects the fundamental characteristics of commodities as a financial asset class compared with its equity counterparts contributing to least distortion to the market while being revenue positive.

RISKS AND CONCERNS

Your Company's business performance and financial position depends on various factors, of which the following are of particular importance:

a. **Falling prices yielding declining contract values:**

   As the Exchange's transaction fee is calculated on the basis of the value of commodity futures contracts traded on the Exchange, the volume and value of contracts traded on it have a direct impact on the Company's revenues. The trading volumes and value of contracts are affected by external factors including commodity-specific events and factors such as the construction of new production facilities or processes, new uses or discontinuance of historical uses, mine/plant closures, adoption of new technology by the commodity-specific industry, weather, natural disasters, etc. trade policies and regulations; and geopolitical events involving governments or economic paradigms; all affecting level of production and consumption of commodities.

b. **Technology: cutting edge and vulnerability:**

   The most significant enablers for the Company to experience high inclusive growth has been its technology. The innovation in products and processes, which has made the Company an undisputed leader in the industry has been made possible only by the use and deployment of state-of-the-art technology. The successful operations of your Company's business and operating results are dependent in part on the use and deployment of technology. However, technology is susceptible to obsolescence, and increasingly, to cyber-attacks from across the globe. To keep it the exchange of choice to its stakeholders, your Company needs to be at the cutting edge of technological infrastructure and connectivity, meeting the ever-evolving demands of its stakeholders with safe and multiple choices of connectivity as per the participant needs. Thus, maintenance of such technology is the highest priority for Company business. On the other hand, the Company expects that advancements in technology, technological infrastructure and connectivity options will enable it to provide more efficient trade execution services, and increase its economies of scale. This is expected to have a positive impact on its revenues.

   Your Company sources its core trading software platform from third party vendor and MCX does not own this Intellectual Property of the Software. In case of eventuality whereby third party vendor is unable to provide services, it may have some impact on technology operations and technology enhancements required, if any. Your Company is taking effective steps to shore up its technology capabilities to mitigate such risks including taking over source code through escrow arrangement.

c. Macro-economic Trends:

India's commodity derivatives market is impacted by both the domestic and the global economic conditions. Thus, as a part of the Indian commodity derivatives market, the results of your Company's operations are significantly impacted by these economic conditions. Events such as the country's industrial growth, global financial crisis, recession, regional economic disintegration, inflation, etc. influence the commodity fundamentals and hence the market. The demand and supply of commodities is driven by the growth in the economy, which in turn affects the overall volume of commodities being traded in India. Generally, an increase in demand for commodities along with increased price volatility has a positive impact on your Company's operational results. The Company constantly monitors emerging economic trends, and realigns its business strategy, as and when required.

d. Imposition or enhancement of statutory costs:

The Union Budget for FY2013-14 imposed a Commodity Transaction Tax (CTT) on the sale of non-agricultural commodity futures contracts to the tune of 0.01 per cent. This tax led to a steep decline in the volumes traded on your Company in 2013-14, and volumes have still not attained to the levels seen in pre-CTT period. Any new tax or increase in a tax like CTT may, likewise, dampen volumes, thereby impacting your Company's profitability.

e. Enhanced pressure from competition:

With gradual integration of the commodity derivatives market with other segments of the financial market, especially those governed by the Securities Contracts (Regulation) Act 1956, other exchange platforms, which were not able to offer commodity derivatives till the amendment of the SCRA in 2015, can do so going forward, subject to regulatory approval and integration of participants and market infrastructure. This is a new source of competition and a potential area of risk to your Company. Your Company tries to mitigate the impact of competitors by continuously improving its products, technology and processes; introducing new products; and having a customer-focused approach endeavouring to be a platform of choice for participants and enhancing the products besides connecting with various market participants.

f. Adverse regulatory decisions:

All aspects of your Company's operations are subject to regulatory oversights. Changes in laws, regulations, taxation etc., or new rules, regulations or policies may necessitate the Company to allocate more resources for compliance. This may impede the Company's ability to operate and grow its business or may affect the economic prospects for market intermediation.

g. Pursuant to the PwC Report, the Company had taken consequential Criminal and Civil actions against the erring entities in 2014-15. These are at various stages. Further, the Company has received notices under Section 148 of the Income Tax Act for Assessment Year 2010-11 to Assessment Year 2013-14 to reassess the income of the said Assessment years and the Company is in the process of filing necessary submissions in respect to the Notices.

PRODUCT-WISE PERFORMANCE

Product-wise performance of your Company during 2016-17 is given in **'Annexure II'**

CRITICAL ACCOUNTING POLICIES

The Company's financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS'), as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all previous periods including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with the generally accepted accounting principles in India, Accounting standards notified under section 133 of the Companies Act, 2013 and the relevant provisions thereof. The Company has adopted Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101First time adoption of Indian Accounting Standards. The accounts of financial year ended March 31, 2016 have been restated accordingly as per Ind AS requirement.

These include information that is relevant to this discussion, and analysis of the Company's financial position and result of operations. The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions, that affect the reported amounts of assets, liabilities, revenues and expenditures, and the accompanying disclosures related to disclosure of cash flows and contingent liabilities, among others.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has put in place various internal controls to ensure that they are adequate and are effective. The Board has also put in place state-of-the-art technology and has automated most of the key areas of operations and processes, to minimize human intervention.

The design, implementation and maintenance of adequate internal financial controls is to enable it to operate effectively and ensure the accuracy and completeness of the accounting records, and are free from material misstatement, whether due to error or omission.

The operational processes are adequately documented with comprehensive and well defined Standard Operating Procedures which, *inter alia,* includes the financial controls in the form of maker and checker being with separate individuals. For more details, please refer the Directors' Report.

FINANCIAL POSITION AND RESULT OF OPERATIONS

Revenue:

The Company derives its revenues from transaction fees, admission fees, annual subscription fees, terminal charges, connectivity income, interest income, dividends from and gains on sale of investments, and other miscellaneous income.

During FY 2016-17, the Company reported a total income of ₹37,586.51 Lakh, as against ₹35,140.42 Lakh in FY 2015-16. The Company continued to perform well during the fiscal with a net profit margin of 34 per cent. The operating expenses increased from ₹15,965.34 Lakh in FY 2015-16 to ₹17,967.10 Lakh in FY 2016-17, registering a rise of 13 per cent.

The profit before tax for the FY 2016-17 was ₹17,742.43 Lakh, as against ₹16,123.33 Lakh in the last financial year, registering a rise of 10 per cent. During FY 2016-17, the profit after tax gained by 11 per cent to ₹12,627.14 Lakh, as against ₹11,377.62 Lakh in FY 2015-16.

The Company operates in a single segment business. Transaction fees comprise a significant portion (approximately 62 per cent) of the Exchange's revenue. The transaction revenue during FY 2016-17 was ₹23,303.67 Lakh, as against ₹20,288.19 Lakh in the previous fiscal. The Company continued deployment of surplus funds in high performing assets such as mutual funds, fixed deposits and tax-free bonds. The investment income was ₹11,433.71 Lakh in FY 2016-17 (Previous year ₹11,264.29 Lakh) including gain / (loss) on fair valuation of Mutual Funds and Bonds owing to change in accounting standards from Indian GAAP to Ind AS.

Expenses:

The Company's expenditure consists of operating and other expenses, interest and depreciation / amortization charges (Table 3).

Table 3: MCX's expenditure (₹ in Lakhs)

Particulars	FY 2016-17	FY 2015-16	Change %
Employee benefit expense	6,441.85	4,192.81	54
Finance cost	19.68	30.01	-34
Depreciation and amortization	1,857.30	2,458.64	-25
Other expenses	11,525.25	11,772.53	-2
Total	**19,844.08**	**18,453.99**	**8**

Other expenses principally comprise costs / charges pertaining to software support charges, communication expenses, advertisement, repairs and maintenance-others, license fees, legal and professional charges, etc.

Provision for taxation:

The Company's provision for tax increased by 8 per cent to ₹5,115.29 Lakh during FY 2016-17 from ₹4,745.71 Lakh in previous financial year.

Profit analysis:

The net profit margin stood at 34 per cent in FY 2016-17. (Previous year: 32%)

Financial performance and operational performance parameters:

In terms of the Exchange's business strategy approach, members registering higher turnover were charged at a lower slab on the incremental turnover beyond the threshold limit for both Group A Commodities (Non-Agri) and Group B Commodities (Agri) upto September 30, 2016. With effect from October 1, 2016, the transaction charges were revised and further a flat rate on total turnover was levied for Group B Commodities (Agri). During the year under review, the turnover increased by 4% from ₹1,12,683.88 hundred crores to ₹1,17,313.22 hundred crores and the transaction fees has increased by 15% from ₹20,288.19 Lakh to ₹23,303.67 Lakh during the same period.

SHAREHOLDERS' FUNDS

Share capital:

As of the March 31, 2017, the Company's share capital stood at ₹5,099.84 Lakhs, i.e., 509.98 Lakh shares of ₹10 each. (Previous year: ₹5,099.84 Lakhs)

Other equity:

The Company's other equity increased to ₹1,30,777.37 Lakh as on March 31, 2017 from ₹1,23,875.98 Lakh as on March 31, 2016. The net worth (including SGF) stood at ₹1,52,926.67 Lakh as on March 31, 2017 as against ₹1,47,799.49 Lakh as on March 31, 2016.

Secured loans:

The Company had no secured loans in its books as on March 31, 2017 as well as on March 31, 2016.

Fixed assets:

The Company's fixed assets stood at ₹15,214.47 Lakh as at March 31, 2017, as against ₹14,011.02 Lakh as at March 31, 2016.

Investments:

As on March 31, 2017, the Company's investments (Non-current and Current) stood at ₹1,19,479.43 Lakhs, as against ₹1,11,095.13 Lakh as on March 31, 2016.

Current assets and current liabilities:

The current assets (excluding current investments) was ₹47,958.50 Lakh in FY 2016-17, as compared to ₹57,163.61 Lakh in FY 2015-16.

The current liabilities consisting of creditors, trading margins from members, security deposits, and others, stood at ₹29,447.52 Lakh in FY 2016-17, as against ₹35,863.51 Lakh during the previous fiscal year.

In accordance with SEBI Circulars relating to SGF, the Company has transferred settlement related penalties (net of tax) of ₹77.51 Lakh and income from earmarked investments (net of tax) of ₹863.24 Lakh to SGF. Further, deposits of expelled members were transferred to SGF amounting to ₹94.47 Lakhs. There was an outflow of Base Minimum Capital of ₹2,809.43 Lakh from SGF during the FY 2016-17. There was no appropriation of dues of defaulting members in FY 2016-17. Accordingly, the SGF Corpus was ₹17,049.46 Lakh as at March 31, 2017 (₹18,823.67 Lakh as at March 31, 2016).

HUMAN RESOURCES, INDUSTRIAL RELATIONS, ETC.

As of March 31, 2017, the Company had a total of 388 employees based at its offices in Mumbai and other cities across India. The Company continues to enjoy cordial relations with all its employees.

STRONG LEADERSHIP TEAM

The Exchange has emerged as a world-class institution through the direction provided by its leadership team – the management and the Board of Directors. Their guidance and thought leadership have been instrumental in the Exchange's growth and maintenance of its leadership position.

MATERIAL DEVELOPMENTS AFTER THE BALANCE SHEET DATE

The material developments after the Balance Sheet date have been elaborated in the Directors' Report at respective sections.

CAUTIONARY STATEMENT

In this annual report we have disclosed some future developments expected to take place soon so that investors can better understand the Company's future prospects and make informed decisions while interacting with the Exchange. This annual report and other written and oral statements that we make from time to time may contain such forward looking statements that set out anticipated results based on management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words and terms of similar substance in connection with any discussion on future operations or financial performance. We cannot guarantee that any forward-looking statement will be realised, although, we believe, we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should 'known' or 'unknown' risks or uncertainties materialise, or should the underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

ANNEXURE - I

Gist of Some Research Studies Conducted in 2016-17

1. **Title:** ***Price Linkages and Evaluation of the Benefits of the Commodity Futures Market in the Cotton Ecosystem***

   Research Conducted by: ICAR-National Institute of Agricultural Economics and Policy Research, New Delhi

   As Indian cotton is increasingly integrating into the world market, domestic cotton prices are becoming vulnerable to changes in global demand and supply conditions. At this juncture, MCX futures contracts have emerged as a valuable and effective tool for managing cotton price risk providing risk management solutions to various stakeholders of cotton value chain (producers, ginners, millers, yarn manufacturers, exporters, etc.).

   According to the study, which involved primary survey of various cotton stakeholders across select states in India and the analysis of secondary market level data:

   - Cotton prices in all major domestic markets are co-integrated with MCX futures prices. Spot markets respond to the signals from futures with a lag of 2-3 weeks.
   - MCX cotton futures prices have greatly helped the growers by providing indicative or reference prices to start negotiations in spot markets.
   - There has been improvement in the storage and grading infrastructure after introduction of MCX cotton futures.
   - Ginners find improvement in the cotton ecosystem after the introduction of MCX cotton futures. They use MCX futures or spot prices to take decisions for trading in the physical market.
   - With a high and increasing turnover of exchange-traded cotton futures, the futures market is able to generate sizeable revenue to the exchequer in the form of various taxes. MCX Cotton futures contributed about ₹38.26 crores to the exchequer during 2016-17.

   Recommendations and Policy Suggestions:

   - Efforts may be made towards wide-scale dissemination about MCX futures prices and various cotton market information services amongst the growers.
   - Enhance the understanding of cotton growers regarding the use of warehouse receipts and thereby make better use of signals arising out of futures markets.
   - Bank staff need to increase their acceptance of warehouse receipt financing; this may require capacity building of bank personnel.

2. **Title:** ***A Study on the Level of Compliance to Commodity Risk Disclosure Regulations in India & Abroad***

   Research Conducted by: Institute of Company Secretaries of India - Centre for Corporate Governance, Research & Training (ICSI – CCGRT)

   SEBI, vide Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, dated 2nd September 2015, mandated all listed companies to disclose their commodity price risk or foreign exchange risk and hedging activities in their Annual Reports.

ICSI-CCGRT conducted a study on the level of compliance to commodity risk disclosure regulations in India and abroad. For the study, the Institute analysed Annual Reports of top 525 Indian listed companies based on their exposure in 62 different sectors.

Major Observations:

- *Commodity Risk Disclosure:* Nearly half (44.38%) of the companies whose annual reports were analysed did not disclose commodity price risk, while a quarter of them (26.86%) just gave passing remarks about them. Only 12% of the companies provided detailed disclosures of commodity price risk in their Annual Reports.
- *Foreign Exchange Risk Disclosure:* 41.33% did not disclose Foreign Exchange risk, while 17.72% provided passing remarks about this risk in their Annual Reports. Nearly 30% of the companies provided detailed disclosures of forex risks.
- *Companies listed across the global exchanges:* Companies listed in global exchanges have provided more detailed disclosures of Market Risk, which were further bifurcated into Qualitative and Quantitative disclosures.
- *Indian companies listed abroad vide ADR/GDR:* Indian companies listed abroad have provided detailed risk disclosures, including commodity price risk disclosure, in their annual filings with the SEC in USA, while such details have not been provided in their Indian Annual Reports.

Recommendations:

- SEBI may require the companies to give separate disclosures for each type of market risk exposure in their annual report i.e. commodity price risk, foreign exchange risk, interest rate risk and their respective hedging activities separately.
- In line with international practices, SEBI may advise companies on the methods that can be adopted for disclosing commodity risk and commodity risk management in Annual Reports.
- There is a need for creating awareness among listed companies and their officials regarding the provisions of SEBI (LODR) Regulations, 2015 in respect of detailed disclosures of Commodity risk and Commodity Hedging in their Annual Reports.

3. Title: ***A Survey of Stakeolders in Gold Value Chain and Their Hedging Practices***

Research Conducted by: Pahle India Foundation, New Delhi

A study following a primary survey of 453 jewellers, including retailers, manufacturers, exporters, wholesalers and combinations of them in three cities viz., New Delhi, Ahmedabad and Kochi, was conducted to understand their hedging practices, extent of use of gold futures as a hedging instrument and identify the constraints for the development of robust gold futures market. The survey revealed the following results:

a. <u>Contribution of Gold Futures to the Bullion Industry</u>

- The bullion industry perceives the access to better quality of gold, absence of counterparty risk and price discovery as the major benefits of the futures market.
- Price signals from the futures market is the benchmark for jewellers, mostly for medium sized jewellers.
- Holding on to gold is still the predominant form of hedging price risk, less than half of the jewellers trading in gold futures do so to hedge.
- There is a noticeable shift in jeweller's purpose of trading towards hedging price risk over a period of time. Thus, though participants may enter the market as speculators, they become hedgers after trading over a period.

b. <u>Factors affecting gold stakeholders in using derivatives platform</u>

- Selection of the tenure of futures contract largely depends on business cycle and the tenure of gold loan of the participants, both of which in turn depend on the average turnover of their businesses. Thus, larger the turnover, longer their business cycle and thus longer is the tenure of their preferred contract for risk management purposes.
- Preference of size of the futures contract is associated with the turnover and business cycle of the jewellers. Smaller size contracts are preferred by the jewellers with lower turnover and vice-versa.
- There is no discernible connection between education and reason for trading, possibly because jewellery businesses in India has mostly been family run business and so business-related skills may have been learned in an informal way.

c. Economic Impact of CTT on the Gold Futures Trading
   - Most respondents who stopped trading gold futures did so due to the rise in costs, which was mainly due to CTT.
   - Some respondents indicated that they would participate again if there is reduction in trading costs, particularly CTT.

d. Constraints for the Growth and Development of a Robust Gold Futures Market
   - Lack of awareness about hedging opportunities provided by gold futures is the biggest constraint in the growth and development of a robust gold futures market.
   - Higher cost in trading in terms of transaction costs, particularly CTT is another major constraint.
   - Difficulty in taking delivery is a minor constraint, though inadequacy of vaults is not.

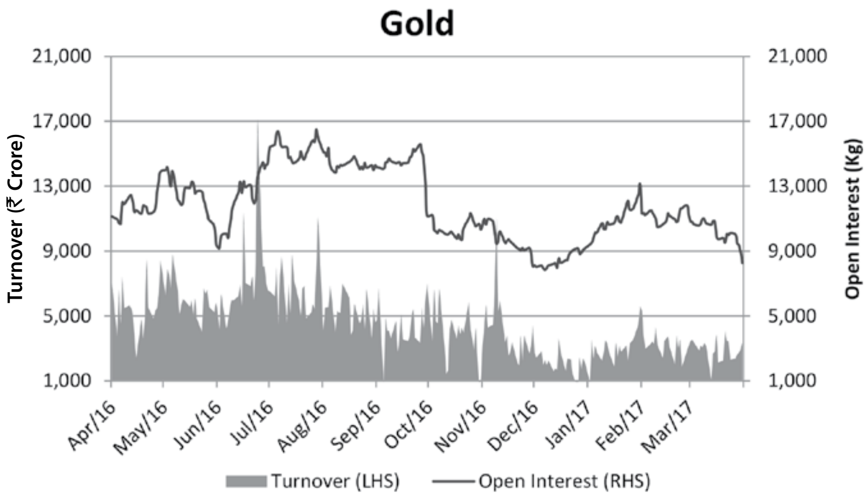
Policy Recommendations:

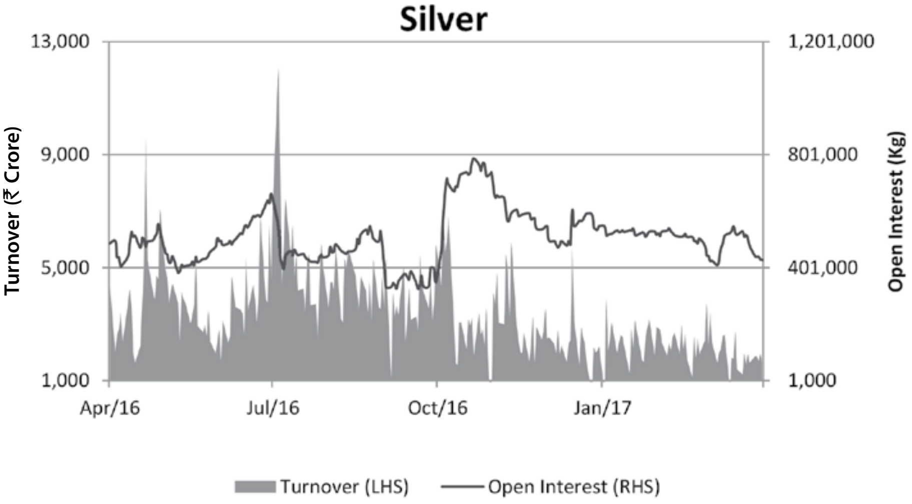
- CTT needs to be repealed immediately.
- All types of financial institutions, particularly the banks and bank-owned subsidiaries should be allowed to trade in gold futures.
- Exchanges or the regulator should provide well-established warehousing norms for exchange-accredited vaults, so as to incentivise large institutions to trade in gold derivatives and take / give delivery on the exchange. Alternatively, vaults can be regulated by the WDRA, which can also enable their receipts get Negotiable Instruments status.
- The gold derivatives market needs to be integrated with the Gold Monetisation and Sovereign Gold Bond Schemes and the benefits of the existence of these markets and information from these markets be effectively utilised in the operation of these schemes.
- The gold derivative exchanges need to create innovative strategies for generating awareness about gold futures and its benefits, and also explore ways to expand their delivery mechanism.

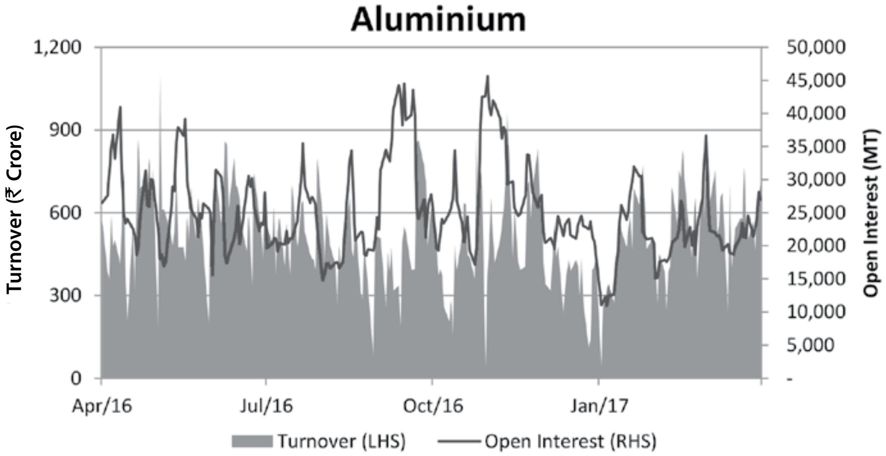
ANNEXURE - II

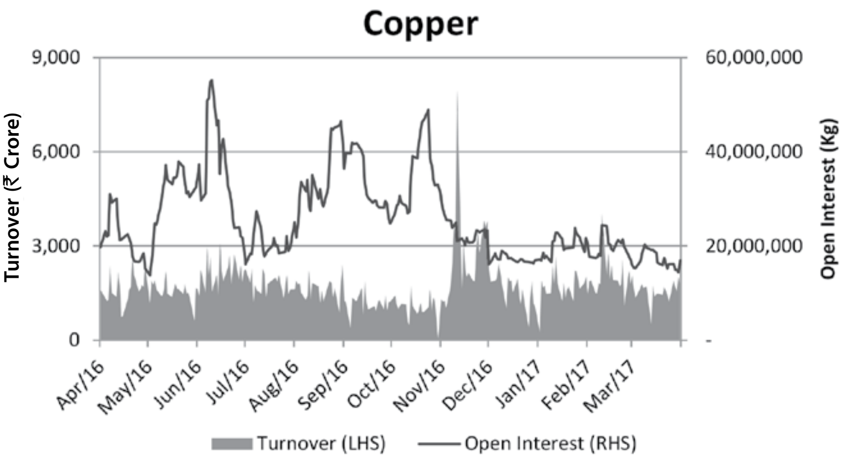
Turnover and Open Interest of Commodity Futures Contracts Traded on MCX in 2016-17

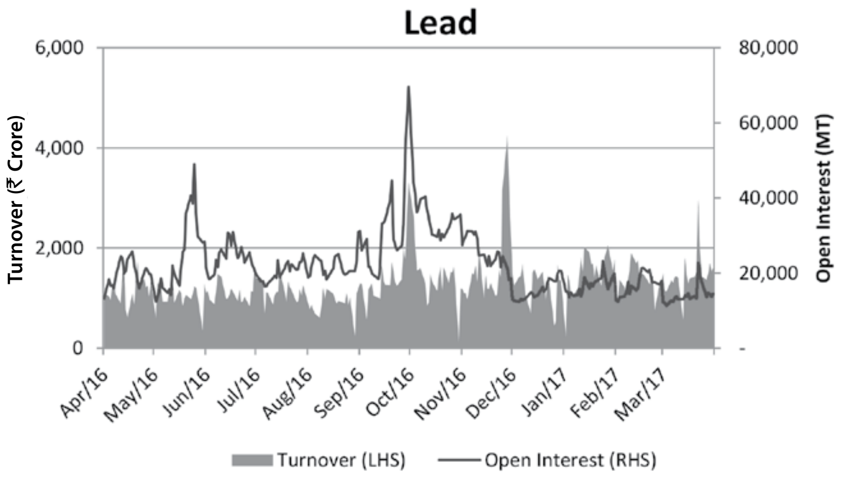
(All variants of each commodity combined)

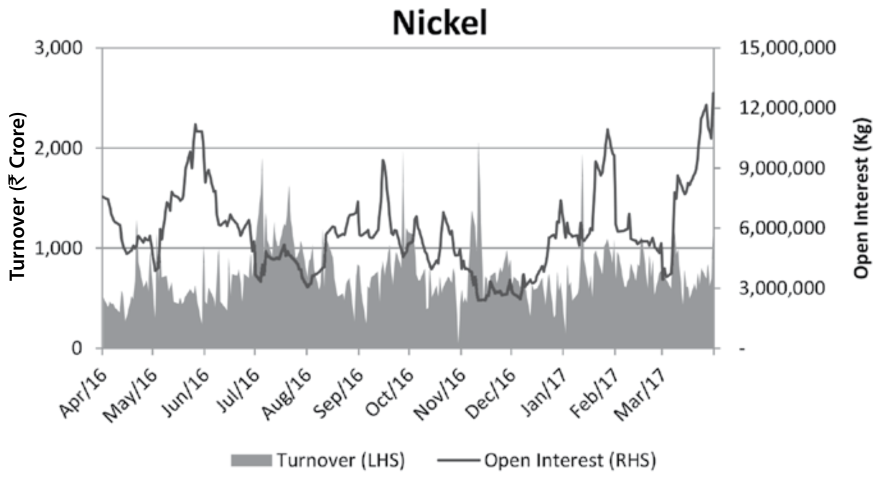


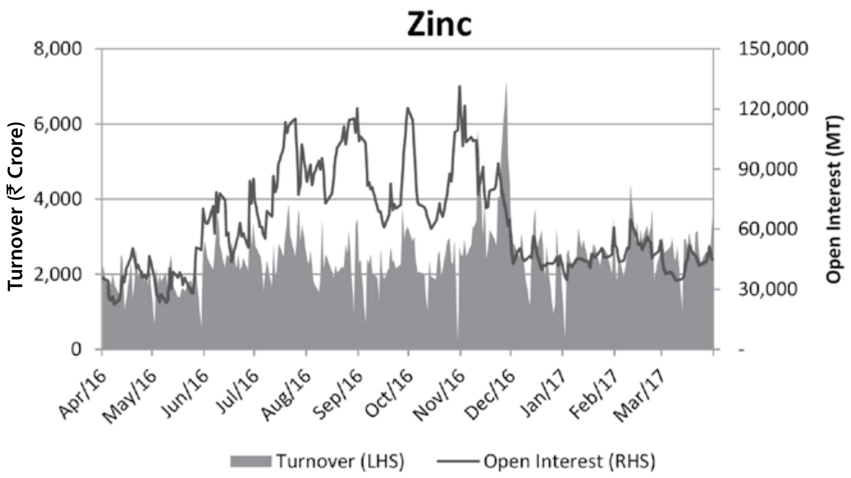

Silver
13,000
9,000
5,000
1,000
Turnover (₹ Crore)
1,201,000
801,000
401,000
1,000
Open Interest (Kg)
Apr/16
Jul/16
Oct/16
Jan/17
Turnover (LHS)
Open Interest (RHS)

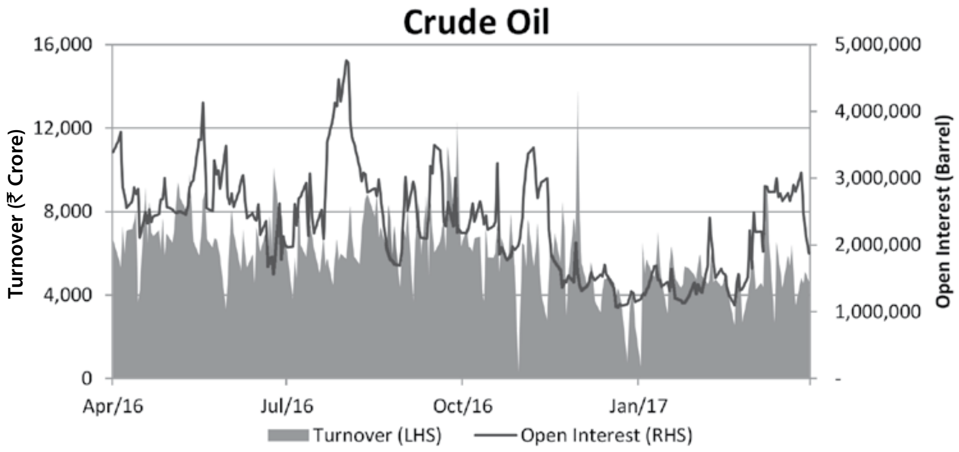

Aluminium
1,200
900
600
300
0
Turnover (₹ Crore)
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
Open Interest (MT)
Apr/16
Jul/16
Oct/16
Jan/17
Turnover (LHS)
Open Interest (RHS)

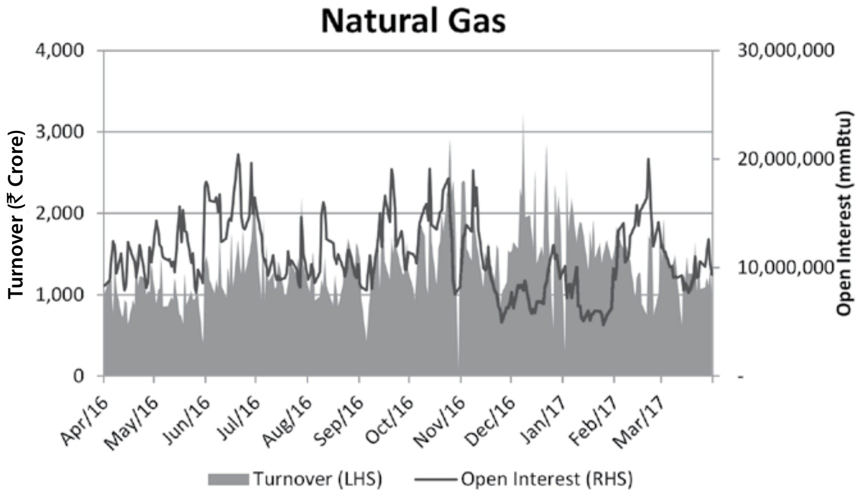

Copper
9,000
6,000
3,000
0
Turnover (₹ Crore)
60,000,000
40,000,000
20,000,000
-
Open Interest (Kg)
Apr/16
May/16
Jun/16
Jul/16
Aug/16
Sep/16
Oct/16
Nov/16
Dec/16
Jan/17
Feb/17
Mar/17
Turnover (LHS)
Open Interest (RHS)

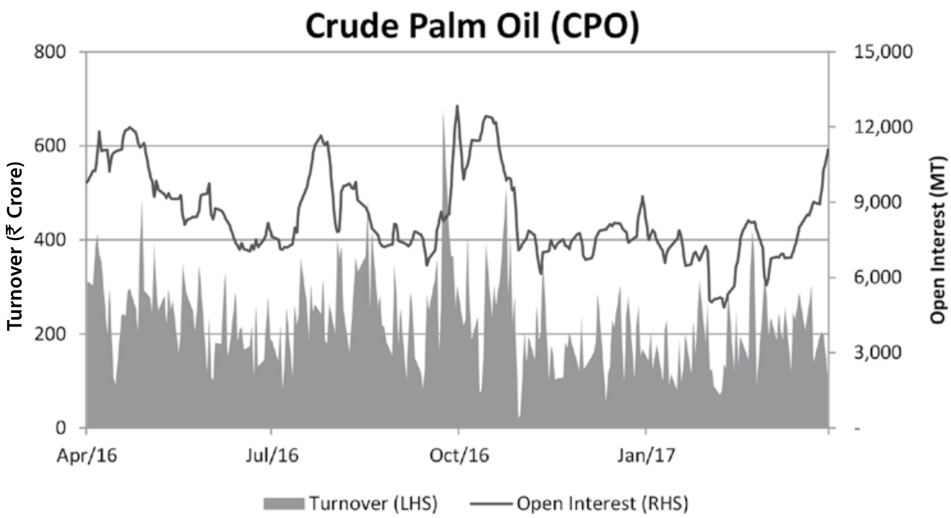

Lead
6,000
4,000
2,000
0
80,000
60,000
40,000
20,000
-
Turnover (₹ Crore)
Open Interest (MT)
Apr/16
May/16
Jun/16
Jul/16
Aug/16
Sep/16
Oct/16
Nov/16
Dec/16
Jan/17
Feb/17
Mar/17
Turnover (LHS)
Open Interest (RHS)

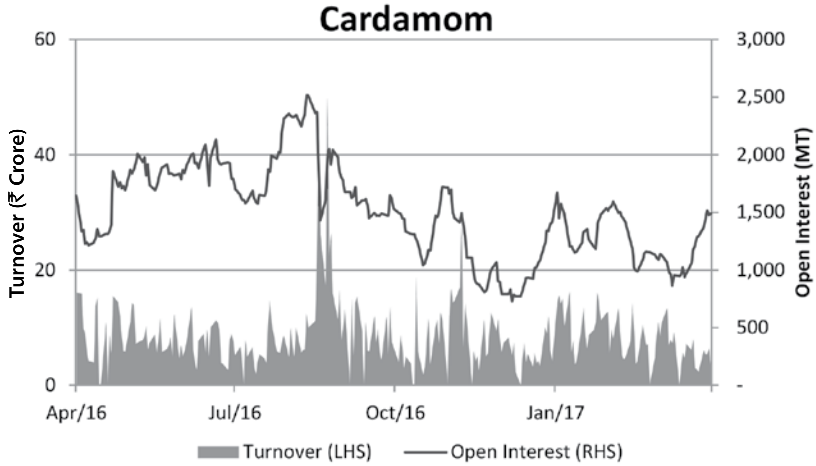

Nickel
3,000
2,000
1,000
0
15,000,000
12,000,000
9,000,000
6,000,000
3,000,000
-
Turnover (₹ Crore)
Open Interest (Kg)
Apr/16
May/16
Jun/16
Jul/16
Aug/16
Sep/16
Oct/16
Nov/16
Dec/16
Jan/17
Feb/17
Mar/17
Turnover (LHS)
Open Interest (RHS)

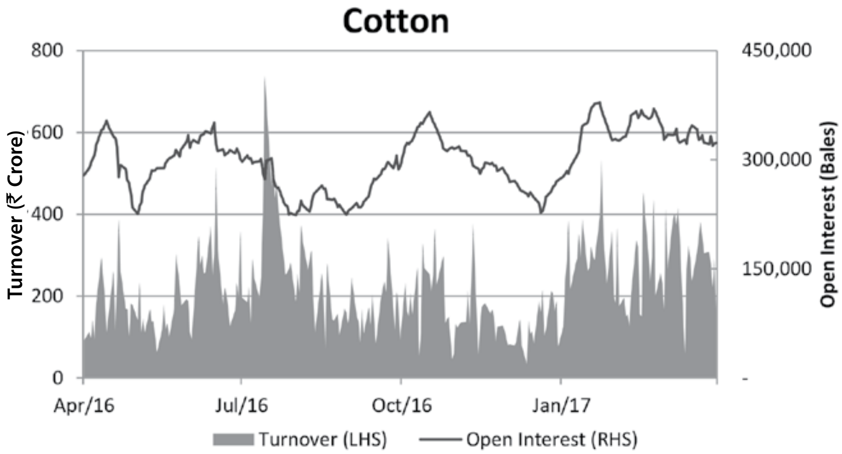

Zinc
8,000
6,000
4,000
2,000
0
150,000
120,000
90,000
60,000
30,000
-
Turnover (₹ Crore)
Open Interest (MT)
Apr/16
May/16
Jun/16
Jul/16
Aug/16
Sep/16
Oct/16
Nov/16
Dec/16
Jan/17
Feb/17
Mar/17
Turnover (LHS)
Open Interest (RHS)

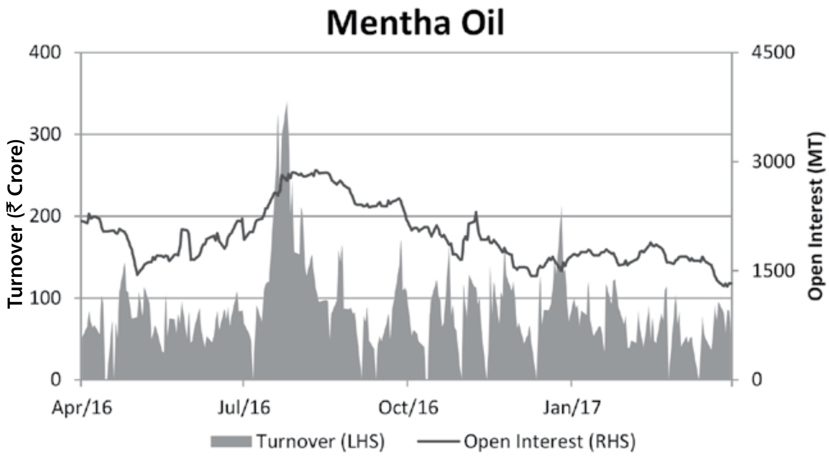

Crude Oil
16,000
12,000
8,000
4,000
0
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
Turnover (₹ Crore)
Open Interest (Barrel)
Apr/16
Jul/16
Oct/16
Jan/17
Turnover (LHS)
Open Interest (RHS)


Natural Gas
4,000
3,000
2,000
1,000
0
30,000,000
20,000,000
10,000,000
-
Turnover (₹ Crore)
Open Interest (mmBtu)
Apr/16
May/16
Jun/16
Jul/16
Aug/16
Sep/16
Oct/16
Nov/16
Dec/16
Jan/17
Feb/17
Mar/17
Turnover (LHS)
Open Interest (RHS)


Crude Palm Oil (CPO)
800
600
400
200
0
15,000
12,000
9,000
6,000
3,000
-
Turnover (₹ Crore)
Open Interest (MT)
Apr/16
Jul/16
Oct/16
Jan/17
Turnover (LHS)
Open Interest (RHS)


Cardamom
Turnover (₹ Crore)
Open Interest (MT)
60
40
20
0
3,000
2,500
2,000
1,500
1,000
500
-
Apr/16
Jul/16
Oct/16
Jan/17
Turnover (LHS)
Open Interest (RHS)


Cotton
Turnover (₹ Crore)
Open Interest (Bales)
800
600
400
200
0
450,000
300,000
150,000
-
Apr/16
Jul/16
Oct/16
Jan/17
Turnover (LHS)
Open Interest (RHS)


Mentha Oil
Turnover (₹ Crore)
Open Interest (MT)
400
300
200
100
0
4500
3000
1500
0
Apr/16
Jul/16
Oct/16
Jan/17
Turnover (LHS)
Open Interest (RHS)

CORPORATE GOVERNANCE REPORT

Corporate Governance is about commitment to values, ethical business conduct and transparency. We, at Multi Commodity Exchange of India Limited (hereinafter referred to as 'the Company' or 'Your Company' or 'MCX'), have exhibited our commitment by making good governance an integral part of our business culture.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulations 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI Listing Regulations'), as applicable, with regard to corporate governance. The detailed report on Corporate Governance for the Financial Year (FY) 2016-17 demonstrating the Company's accountability to its stakeholders is set out hereunder:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Transparency, integrity, comprehensive disclosures, professionalism and structured accountability are the cornerstones of your Company's value system. Our actions are governed by these values and principles, which are reinforced at all levels within the Company. These principles, along with fair and transparent disclosures, guide your Company's Management to serve and protect long-term interests of all its stakeholders, including shareholders, customers, employees, farmers, members of the Exchange and the communities in which it operates. This philosophy of the Company has been further strengthened with the adoption of the MCX Code of Conduct for Board of Directors and Senior Management of the Company, MCX Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

2. BOARD OF DIRECTORS:

(A) Composition of the Board:

The Company's Board has an optimum combination of Executive and Non-Executive Directors with 3 (three) Women Directors, all being expert professionals having experience in diverse areas such as management, technical, finance and legal.

As on March 31, 2017, the Board comprised 14 (fourteen) members, of which 7 (seven) were Public Interest Directors (i.e. Independent Directors), 6 (six) Shareholder Directors and the Managing Director and Chief Executive Officer (MD & CEO). Mr. Mrugank Madhukar Paranjape joined as the MD & CEO of the Company on May 09, 2016. Mr. Parveen Kumar Singhal, President & Whole Time Director, had been taking care of the day to day affairs of the Exchange till the joining of MD & CEO. Except Mr. Mrugank Madhukar Paranjape and Mr. Parveen Kumar Singhal who are Executive Directors, others including the Chairman are Non-Executive Directors.

The tenure of Mr. Satyananda Mishra as a Public Interest Director and the Chairman of the Board ended on November 18, 2016. Subsequently, in the meeting of the Board of Directors of the Company held on November 25, 2016, Mr. Saurabh Chandra, was elected as the Chairman of the Board, subject to approval of SEBI, which was received on December 01, 2016.

The Company has complied with the provisions of Securities Contracts (Regulation) Act, 1956 and the regulations, rules, guidelines etc. made thereunder. Provisions with respect to composition of the Board of Directors as prescribed in the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (hereinafter referred to as 'the SECC Regulations, 2012') and the Procedural Norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations (hereinafter referred to as 'the SEBI Procedural Norms') issued by SEBI have also been complied with.

Further, in compliance with the requirement of Regulation 17(1) (b) of the SEBI Listing Regulations, more than one-third of the Board members are Independent Directors with a Non-Executive Director, Mr. Saurabh Chandra, as the Chairman of the Board.

The Board's composition and in respect of each Director, the nature of directorship, the number of meetings attended during the year, directorship(s) in other companies, chairmanship(s) and membership(s) of Committees of the Board in other companies are given below:

Sr. No.	Name and DIN of the Director	Nature of Directorship	Board Meetings		Attendance at the last AGM held on September 19, 2016	Directorship(s) in other companies(*) as on March 31, 2017	Chairmanship(s) and Membership(s) of Board Committees in other Companies(**) as on March 31, 2017	
			Held#	Attended			Chairman	Member
1.	Mr. Saurabh Chandra[1] (DIN: 02726077)	Chairman, Non-Executive, Independent	7	7	No	1	0	0
2.	Mr. Amit Goela (DIN: 01754804)	Non-Executive, Non-Independent	9	6	No	7	0	0
3.	Mr. Arun Bhargava[2] (DIN: 02375147)	Non-Executive, Independent	4	4	N.A.	1	0	0
4.	Mr. Arun Kumar Nanda (DIN: 00010029)	Non-Executive, Independent	9	9	No	5	2	0
5.	Mr. Chengalath Jayaram[3] (DIN: 00012214)	Non-Executive, Non-Independent	4	3	N.A.	3	0	2
6.	Mr. Hemang Raja[4] (DIN: 00040769)	Non-Executive, Non-Independent	8	7	No	2	1	1
7.	Dr. M. Govinda Rao (DIN: 01982343)	Non-Executive, Independent	9	9	No	0	0	0
8.	Ms. Madhu Vadera Jayakumar (DIN: 00016921)	Non-Executive, Non-Independent	9	8	No	3	0	2
9.	Ms. Padma Raghunathan (DIN: 07248423)	Non-Executive, Non-Independent	9	8	No	0	0	0
10.	Ms. Pravin Tripathi (DIN: 06913463)	Non-Executive, Independent	9	9	Yes	3	0	4
11.	Mr. Prithvi Haldea[5] (DIN: 00001220)	Non-Executive, Independent	5	5	N.A.	7	1	2
12.	Mr. Subrata Kumar Mitra (DIN: 00029961)	Non-Executive, Independent	9	9	Yes	6	1	3
13.	Mr. Mrugank Madhukar Paranjape (DIN: 02162026)	Executive, Non-Independent	8	8	Yes	0	0	0
14.	Mr. Parveen Kumar Singhal (DIN: 01237602)	Executive, Non-Independent	9	8	Yes	0	0	0
15.	Mr. Dinesh Kumar Mehrotra[1] (DIN: 00142711)	Non-Executive, Independent	2	2	N.A.	N.A.	N.A.	N.A.
16.	Mr. Ajai Kumar[6] (DIN: 02446976)	Non-Executive, Non-Independent	4	4	No	N.A.	N.A.	N.A.
17.	Mr. M.A.K. Prabhu[7] (DIN: 03195461)	Non-Executive, Non-Independent	4	2	No	N.A.	N.A.	N.A.
18.	Mr. G. Anantharaman[5] (DIN: 02229822)	Non-Executive, Independent	4	4	Yes	N.A.	N.A.	N.A.
19.	Mr. Satyananda Mishra[2] (DIN: 01807198)	Non-Executive, Independent	5	5	Yes	N.A.	N.A.	N.A.

Note: *There are no inter-se relationships between the Board Members*

\# *No. of meetings held during the tenure of the Director on the Board.*

* *Excludes directorship(s) in foreign companies.*

** *Only Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies have been considered.*

The number of Directorships, Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

1 *Mr. Saurabh Chandra was appointed as an Independent Director w.e.f. July 03, 2016 in place of Mr. Dinesh Kumar Mehrotra whose term as a director on Board ended on July 02, 2016.*

2 *Mr. Arun Bhargava was appointed as an Independent Director w.e.f. November 19, 2016 in place of Mr. Satyananda Mishra whose term as a director on Board ended on November 18, 2016.*

3 *Mr. Chengalath Jayaram was co-opted as a Shareholder Director on the Board of MCX w.e.f. November 25, 2016 consequent to the approval of shareholders and SEBI.*

4 *Mr. Hemang Raja was co-opted as a Shareholder Director on the Board of MCX w.e.f. June 30, 2016 consequent to the approval of shareholders and SEBI.*

5 *Mr. Prithvi Haldea was appointed as an Independent Director w.e.f. October 25, 2016 in place of Mr. G. Anantharaman whose term as a director on Board ended on October 18, 2016.*

6 *Mr. Ajai Kumar was liable to retire by rotation at the 14th Annual General Meeting (AGM) of the Company held on September 19, 2016. Mr. Ajai Kumar offered himself for re-appointment. The resolution for re-appointment of Mr. Ajai Kumar could not get through and the Board of Directors decided not to fill in the vacancy.*

7 *Mr. M.A.K. Prabhu retired by rotation at the 14th Annual General Meeting (AGM) of the Company held on September 19, 2016 and did not seek re-appointment.*

(B) Number of Board Meetings held, the dates thereof, and the information provided to the Board:

Except in case of emergent meetings, *inter-alia*, to take care of exigencies of business, the Company gives adequate notice of meetings to the Board of Directors. The meetings held at a shorter notice were attended by adequate number of Independent Directors and were in compliance with the provisions of the Companies Act, 2013. During the Financial Year 2016-17, 9 (nine) meetings of the Board of Directors were held and the gap between any two meetings did not exceed one hundred and twenty days. The said Board meetings were held on May 05, 2016, June 30, 2016, August 10, 2016, August 31, 2016, October 25, 2016, November 25, 2016, January 13, 2017, February 15, 2017 and February 25, 2017. In certain cases, the Board's approval was taken by passing resolutions through circulation, as permitted by law, which were confirmed in the subsequent meeting of the Board of Directors.

During the year under review, the information mentioned in Part A of Schedule II of the SEBI Listing Regulations, was periodically placed before the Board for their consideration, to the extent applicable and deemed appropriate by the Management. This information was made available either as a part of the agenda papers or tabled at the Board Meeting/s.

(C) Independent Directors:

The Company appoints Independent Directors on the Board in accordance with the provisions of the SECC Regulations, 2012 and the Procedural Norms prescribed by SEBI in this regard. The Independent Directors have varied experience and expertise in their respective field / profession which they bring to all the deliberations. Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. The Independent Directors are complying with the provisions relating to limit of directorships as required under Regulation 25(1) of the SEBI Listing Regulations. The Company issues a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed on the website of the Company. The Independent Directors met twice during the financial year i.e. on October 25, 2016 and February 15, 2017 and, *inter-alia*,

(a) Reviewed the performance of Non-Independent Directors and the Board as a whole;

(b) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

(c) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary to effectively and reasonably perform their duties;

(d) Noted the status of compliance with SEBI letters / circulars and reviewed the adequacy of resources dedicated to regulatory functions.

(D) Familiarisation Programme for Directors:

The Board Members are provided with the documents sought by them that enable them to have a good understanding of the Company, its operations, procedures and practices. Periodic presentations are made at the Board / Committee Meetings on business development plan and performance, risk management, technology, etc. Also, updates on relevant statutory changes and letters received from SEBI are regularly circulated to the Directors at the Board Meetings. The appointment letter issued to the Independent Directors, *inter-alia*, sets out the expectation of the Board from the Directors so appointed, their fiduciary duties and the accompanying liabilities. The Independent Directors are also apprised about their role at their separate meeting/s. Further, all Directors at the time of their appointment as well as annually affirm adherence to the Code of Conduct of the Company and Code of Ethics which, *inter-alia*, sets out their role, responsibilities, etc. The Company has conducted familiarisation programmes for the Independent Directors in order to familiarise them with the nature of the industry, operations of the company, functioning of various departments etc.

The details of familiarisation programme for Directors have been posted on the website of the Company at https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/familiarisation_programme_for_directors_11july2017.pdf?sfvrsn=2

(E) Compliance reports of applicable laws:

The Board periodically reviews compliance reports pertaining to all laws applicable to the Company received from the heads of various departments from time to time as well as steps taken by it to rectify instances of non-compliances, if any.

(F) Code of Conduct:

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the website of the Company at https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/code-of-conduct.pdf?sfvrsn=2. The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct at the time of their appointment and thereafter on an annual basis. The necessary declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V(D) of the SEBI Listing Regulations, regarding adherence to the Code of Conduct has been obtained for the Financial Year 2016-17 and forms part of this Annual Report. Further, all Directors and Key Management Personnel have affirmed compliance with the Code of Ethics as prescribed by SEBI. All employees of the Company also, at the time of joining, affirm compliance with the Code of Ethics of the Company.

(G) Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information:

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to regulate trading in securities by the Designated Persons of the Company.

Further, the Company has also adopted the Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information under the aforesaid SEBI Regulations for preserving the confidentiality of unpublished price sensitive information and preventing misuse of such information and also ensuring timely, fair and adequate disclosure of events and occurrences that could impact price discovery in the market for the Company's securities.

(H) Directors' Remuneration and Shareholding:

i. Remuneration of the Executive Directors and their Shareholding

The aggregate value of salary and perquisites paid / payable for the year ended March 31, 2017 and the outstanding stock options along with the shareholding as at March 31, 2017 is as below:

Particulars	Mr. Mrugank Madhukar Paranjape (MD & CEO)# (Amount in ₹)	Mr. Parveen Kumar Singhal (President & Whole Time Director)* (Amount in ₹)
Remuneration		
Fixed Component:		
Salary and allowances	29,667,646	17,607,588
Monetary value of perquisites	35,477	** 125,582
Retiral Benefits	–	–
Reimbursement of expenses	–	–
Variable Component:		
Commission	–	–
Bonus / Incentive / Variable pay	–	3,533,000
Total	**29,703,123**	**21,266,170**
Leave Encashment	–	147,000
Gross Total	**29,703,123**	**21,413,170**
Directors Sitting Fees for FY 2016-17	–	–
Outstanding Stock options (ESOP 2008) (in Nos.) as at March 31, 2017	–	–
Shareholding as at March 31, 2017 (in Nos.)	–	**4,600**

Note: *The above mentioned figures exclude gratuity and long-term compensated absences.*

\# Mr. Mrugank Madhukar Paranjape was appointed as the MD & CEO of the Company w.e.f. May 09, 2016 and his salary includes a joining bonus of ₹ 10,000,000/-. He is not entitled to any severance allowance and his employment can be terminated in accordance with the Company's policy. The performance criteria are covered under the Remuneration Policy of the Company which is annexed to the Directors Report as **Annexure IX**.

* Mr. Parveen Kumar Singhal was appointed as the Joint Managing Director of the Company for a period of three years w.e.f. October 14, 2014, subsequent to the approval of the shareholders and the Forward Markets Commission. His designation has since been changed to "President & Whole-Time Director". He is not entitled to any severance allowance and his employment can be terminated in accordance with the Company's policy. The performance criteria are covered under the Remuneration Policy of the Company which is annexed to the Directors' Report as **Annexure IX**. In compliance with the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the outstanding options for him (5600 options) as on September 28, 2016 were cancelled and hence stood lapsed.

** *Includes ESOP Perquisite of ₹ 90,105/-*

ii. Remuneration paid to the Non-Executive Directors for attending the Board and Committee Meetings during the year ended March 31, 2017, outstanding stock options and their shareholding as at March 31, 2017 is as below:

Name of the Director	Gross Sitting Fees (Amount in ₹)		Outstanding Stock options (ESOP 2008) (in Nos.)	Shareholding in the Company as at March 31, 2017 (in Nos.)
	Board Meetings	Committee Meetings		
Mr. Saurabh Chandra	525,000	540,000	N.A.	–
Mr. Amit Goela	450,000	120,000	N.A.	100
Mr. Arun Bhargava	300,000	360,000	N.A.	–
Mr. Arun Kumar Nanda	675,000	510,000	N.A.	–
Mr. Chengalath Jayaram	225,000	240,000	N.A.	–
Mr. Hemang Raja	525,000	240,000	N.A.	–
Dr. M. Govinda Rao	675,000	300,000	N.A.	–
Ms. Madhu Vadera Jayakumar	600,000	120,000	N.A.	–
Ms. Padma Raghunathan*	600,000	90,000	N.A.	–
Ms. Pravin Tripathi	675,000	840,000	N.A.	–
Mr. Prithvi Haldea	375,000	360,000	N.A.	–
Mr. Subrata Kumar Mitra	675,000	510,000	N.A.	–
Mr. Dinesh Kumar Mehrotra	150,000	180,000	N.A.	N.A.
Mr. Ajai Kumar	300,000	120,000	N.A.	N.A.
Mr. M.A.K. Prabhu*	150,000	90,000	N.A.	N.A.
Mr. G. Anantharaman	300,000	420,000	N.A.	N.A.
Mr. Satyananda Mishra	375,000	480,000	N.A.	N.A.

* *Sitting fees of the following Directors were credited to the bank account of the respective organization in which they were employed, as mentioned below, as per instructions received by the Company to this effect:*

Ms. Padma Raghunathan - National Bank for Agriculture and Rural Development

Mr. M.A.K. Prabhu - Canara Bank Securities Limited / Canara Bank

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during FY 2016-17, except for sitting fees paid to the Non-Executive Directors.

ESOP details are more particularly mentioned in **Annexure VIII** to the Directors' Report and Note 37 of the Notes to Accounts.

During FY 2016-17, the Non-Executive Directors were entitled to sitting fees of ₹75,000/- per meeting for attending the Meetings of the Board and ₹30,000/- per meeting for attending the Meetings of the Committees of the Board. The sitting fees paid to the Non-Executive Directors and / or Independent Directors is within the limits prescribed under the Companies Act, 2013.

Further, during FY 2016-17, few Board Committees have co-opted independent outside experts as mandatorily prescribed by the Regulator and / or to the extent it was considered appropriate to assist functions. The outside experts were entitled to sitting fees of ₹30,000/- per meeting for attending the Committee Meetings.

The criteria of making payments to Non-Executive Directors is available on the website of the Company at https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/criteria_of_making_payments_to_non-executive_directors.pdf?sfvrsn=2

3. BOARD COMMITTEES:

The Board has constituted various Committees to take informed decisions in the best interest of the Company. Such Committees are constituted in accordance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the SEBI Procedural Norms read with the SECC Regulations, 2012, as applicable, in order to ensure effective oversight on the functioning of Exchange and to facilitate cohesive decision making.

The committees monitor the activities falling within their terms of reference. During the year, the committees were reconstituted, wherever required, *inter-alia*, to provide for appropriate representation of the members of the Board in terms of the regulatory requirements and to ensure smooth functioning.

The Chairman of the Board / Chairman of the respective Committees, in consultation with the Company Secretary and the MD & CEO, determine the schedule for the Committee Meetings. The minutes of all the Committee Meetings are placed at the respective subsequent Meetings and also before the Board for its noting. The recommendations of Committees are submitted to the Board for approval, wherever required.

The details w.r.t. composition, terms of reference, meetings and attendance for Audit Committee, Nomination and Remuneration Committee and the Stakeholders' Relationship Committee are given below:

i. Audit Committee:

The Audit Committee plays a vital role in ensuring high level of governance standards by overseeing, monitoring and advising the Company's management and auditors in conducting audits and preparation of financial statements.

(A) Terms of Reference:

The terms of reference of the Audit Committee shall, *inter-alia*, include:

1. Recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
2. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
3. Examination of the Financial Statement and the Auditors' Report thereon;
4. Approval or any subsequent modification of transactions of the Company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters.

(B) Powers of the Committee:

The Audit Committee shall have following powers:

1. To investigate any activity / matter within its terms of reference and have full access to information contained in the records of the company;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(C) Role of the Committee:

The role of the Audit Committee shall, *inter-alia*, include the following:

1. Review and discuss with the Management, the Statutory Auditor and the Internal Auditor, the Annual Audited Financial Statements (including the related notes) and Quarterly Audited / Unaudited Financial Statements, including the form of audit opinion to be issued by the auditors on the financial statements before submission to the Board, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by Management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions;
   g) Qualifications / modified opinion(s) in the draft audit report.
2. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements depict transparent, correct, sufficient and credible information about the Company's performance;

3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Review and discuss with Management and the Statutory Auditors all releases, including the type of information to be included and its presentation, to ensure all compliances with the Corporate policies;
5. Formulating, implementing and monitoring of the budget for the forthcoming year and monitoring on a quarterly basis;
6. Reviewing and discussing with the Management the reasons for the significant variance noticed between the budgeted and actual performance;
7. Recommendation for appointment, remuneration and terms of appointment of Auditors;
8. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
9. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
10. Reviewing of the Internal Audit Report and action taken thereon;
11. Reviewing the adequacy of internal audit function, including the scope of Audit, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the officials heading the Department, reporting structure, coverage and frequency of internal audit;
12. To discuss and deliberate with the Internal Auditors on the significant findings and follow-up thereon;
13. Reviewing with the Management, the performance of Statutory and Internal Auditors, the adequacy of internal control systems;
14. Reviewing the findings of any internal investigations by the Internal Auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Consider and review the following with the Management, Internal Auditor and the Statutory Auditor:
    (a) Significant findings during the year / period, including the status of action taken report and recommendations of previous audit;
    (b) Any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles;
    (c) Effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's financial statements;
    (d) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information, and Management's response;
    (e) Any significant disagreements between Management and the Statutory Auditor; and
    (f) Any changes required in the planned scope of the internal audit plan.
16. The adequacy and effectiveness of internal controls, including any significant deficiencies or material weaknesses in the framework or operation of, and any material changes in, the Company's internal controls and any special audit steps adopted in light of any material control deficiencies, and any fraud involving Management or other employees with a significant role in such internal controls.
17. Evaluate the qualifications and Matters of emphasis as highlighted by the Auditors.
18. To review and monitor the Auditor's independence and performance, and effectiveness of audit process.
19. To review and discuss with the Management on the Letter of Representation issued by the Auditors from time to time.
20. Discussion with Statutory Auditors before the commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
22. Review with the Auditor on the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
23. Consider and pre-approve all audit and other necessary non-audit services to be provided by the auditors within the permissible regulatory ambit, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's Statutory Auditors on an ongoing basis.

24. Review and pre-approve / ratify all related party transactions of the Company including subsequent modification of transactions of the Company with related parties. For this purpose, the committee may, if required, designate one of its members who shall be responsible for pre-approving related party transactions.
25. To review, discuss and deliberate on the details of material transactions with related parties or others, which are not on arm's length basis and seek justification from the Management for the same.
26. To assess and review the details and basis of material transactions with related parties which are not in the normal course of business.
27. To approve appointment of Chief Financial Officer (CFO) (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
28. Reviewing the functioning and compliances as regards the Company's Whistle Blower Policy / mechanism.
29. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
30. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation and follow-up (including recommending disciplinary action) of any instances of non-compliance.
31. Reviewing the findings of any examinations by regulatory agencies and any Auditor observations.
32. Provide an open avenue of communication between the Statutory Auditor, Internal Auditor and the Board.
33. Oversee compliance with the requirements of Securities and Exchange Board of India (SEBI), and the applicable regulations as the case may be, for disclosure of Auditors' services and Audit Committee members, member qualifications and activities.
34. Review, in conjunction with Management and the Statutory Auditor, if required, any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies. Similarly, review, in conjunction with the counsel/legal dept., any legal matters that could have a significant impact on the Company's financial statements or the Company's compliance procedures.
35. As appropriate, engage independent counsel or other advisors as it deems necessary or appropriate to carry out its duties. The committee shall set the compensation, and oversee the work of, any independent counsel or other advisors retained by it. The Company will provide appropriate funding, as determined by the committee, to pay the independent auditor, any other accounting firm, any independent counsel and any other outside advisors hired by the Committee and any administrative expenses of the Committee that are necessary or appropriate in carrying out its activities.
36. Establish procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees, of concerns regarding questionable accounting or auditing matters.
37. Report periodically to the Board on significant results of the foregoing activities.
38. Carry out additional functions as may be delegated by the Board or contained in the listing agreement or other regulatory requirements applicable to the Company or as mentioned in the terms of reference of the Audit Committee.

(D) Review of information by Audit Committee:

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

6. Statement of deviations:
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
   (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus / notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(E) Composition, meetings and attendance during the year:

During the Financial Year 2016-17, 7 (seven) Audit Committee Meetings were held and the gap between any two meetings did not exceed one hundred and twenty days. The said meetings were held on May 05, 2016, June 29, 2016, August 10, 2016, August 31, 2016, October 25, 2016, January 13, 2017 and February 14, 2017. The constitution and the number of meetings attended by the members are as under:

Members *	Category	Meetings held#	Meetings attended
Mr. Subrata Kumar Mitra (Chairman)@	Non-Executive, Independent	7	7
Ms. Pravin Tripathi	Non-Executive, Independent	7	7
Mr. Arun Bhargava	Non-Executive, Independent	2	2
Mr. Chengalath Jayaram	Non-Executive, Non-Independent	2	2
Mr. G. Anantharaman (Chairman)@	Non-Executive, Independent	4	4
Mr. Satyananda Mishra	Non-Executive, Independent	1	1

* *During the year, the Audit Committee was re-constituted on October 25, 2016 and December 10, 2016. The Committee comprised of Mr. Subrata Kumar Mitra, Ms. Pravin Tripathi, Mr. Arun Bhargava and Mr. Chengalath Jayaram as at March 31, 2017.*

\# *No. of meetings held during the tenure of the Director in the Committee.*

@ *The term of Mr. G. Anantharaman as a Director on Board ended on October 18, 2016. Thereafter, Mr. Subrata Kumar Mitra was elected as the Chairman of the Committee. Mr. G. Anantharaman attended the last Annual General Meeting of the Company held on September 19, 2016.*

Invitees to the Audit Committee Meetings include the CFO, MD & CEO, President & Whole Time Director and Partners / Representatives of the Statutory Auditors and Internal Auditors. Executives from various departments attend the Audit Committee Meetings where matters relating to their respective departments are discussed. The Company Secretary is the Secretary of the Committee.

All members of the Audit Committee are financially literate and have adequate accounting and related financial management expertise.

ii. Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee to attract, retain and reward the Executive Directors and the Senior Management Personnel.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **Annexure IX** to the Directors' Report. The said Policy is directed towards rewarding performance, based on periodic review of achievements. Further, the Company has formulated the criteria for performance evaluation of individual Directors, Board Committees and the Board as a whole. The details relating to the same is annexed as **Annexure VI** to the Directors' Report.

(A) Broad Terms of Reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration / compensation of the Directors, Key Managerial Personnel (in terms of the compensation norms prescribed by SEBI) and other employees which shall be disclosed in the Board's report;

   The Committee shall, while formulating the aforesaid policy, ensure that:

   (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

2. Formulation of criteria for evaluation of Independent Directors and the Board and carry out evaluation of every Director's performance;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. Determining the tenure of the Key Management Personnel to be posted to a regulatory department.
7. Administration and superintendence of the ESOP Schemes including:
   - Number of options to be granted to an employee, and in the aggregate;
   - The manner of administering and implementing the scheme including setting up of a trust;
   - Terms on which the options will vest;
   - The conditions under which options vested in employees may lapse;
   - The exercise period within which an employee should exercise the option, and lapsing of options on failure to exercise the options within the exercise period;
   - The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of the employee;
   - The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
8. The committee shall, *inter-alia*, formulate the detailed terms and conditions of the schemes which shall include the provisions as specified by SEBI in this regard. It shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the company and its employees, as applicable.

(B) Composition, meetings and attendance during the year:

During the Financial Year 2016-17, 8 (eight) meetings of the Nomination and Remuneration Committee were held. The said meetings were held on June 30, 2016, August 31, 2016, September 19, 2016, October 25, 2016, December 29, 2016, January 12, 2017, February 15, 2017 and March 22, 2017. The constitution and the number of meetings attended by the members are as under:

Members *	Category	Meetings held#	Meetings attended
Ms. Pravin Tripathi (Chairman)@	Non-Executive, Independent	7	7
Mr. Arun Kumar Nanda	Non-Executive, Independent	8	8
Mr. Saurabh Chandra	Non-Executive, Independent	4	4
Mr. Chengalath Jayaram	Non-Executive, Non-Independent	1	1
Mr. Dinesh Kumar Mehrotra (Chairman)@	Non-Executive, Independent	1	1
Mr. Satyananda Mishra	Non-Executive, Independent	4	4

* *During the year, the Nomination and Remuneration Committee was reconstituted on June 30, 2016, December 10, 2016 and February 15, 2017. The committee comprised of Ms. Pravin Tripathi, Mr. Arun Kumar Nanda, Mr. Saurabh Chandra and Mr. Chengalath Jayaram as at March 31, 2017.*

\# *No. of meetings held during the tenure of the Director on the Committee.*

@ *The term of Mr. Dinesh Kumar Mehrotra as a Director on Board ended on July 02, 2016. Thereafter, Ms. Pravin Tripathi was elected as the Chairman of the Committee. Ms. Pravin Tripathi attended the last Annual General Meeting of the Company held on September 19, 2016.*

iii. Stakeholders' Relationship Committee:

The Company has constituted the Stakeholders' Relationship Committee primarily with the objective of redressing shareholders' complaints / grievances.

(A) Broad Terms of reference:

The terms of reference of the Committee shall, *inter-alia*, include:

- Considering and redressing grievances / complaints from shareholders or investors or security holders such as non-receipt of declared dividend, non-receipt of annual report, transfer of shares, issue of duplicate share certificates, etc.
- Monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of shares and bonds issued by the Company.

(B) Composition, meetings and attendance during the year:

During the Financial Year 2016-17, 2 (two) meetings of the Stakeholders' Relationship Committee were held. The said meetings were held on May 05, 2016 and January 12, 2017. The constitution and the number of meetings attended by the members are as under:

Members *	Category	Meetings held#	Meetings attended
Dr. M. Govinda Rao (Chairman)@	Non-Executive, Independent	2	2
Ms. Padma Raghunathan	Non-Executive, Non-Independent	1	1
Mr. Amit Goela	Non-Executive, Non-Independent	0	0
Ms. Madhu Vadera Jayakumar	Non-Executive, Non-Independent	1	1
Mr. M.A.K. Prabhu	Non-Executive, Non-Independent	1	1
Mr. Satyananda Mishra (Chairman)@	Non-Executive, Independent	1	1

* *During the year, the Stakeholders' Relationship Committee was reconstituted on June 30, 2016, December 10, 2016 and February 15, 2017. The committee comprised of Dr. M. Govinda Rao, Ms. Padma Raghunathan and Mr. Amit Goela as at March 31, 2017.*

\# *No. of meetings held during the tenure of the Director on the Committee.*

@ *The term of Mr. Satyananda Mishra as a Director on Board ended on November 18, 2016. Thereafter, Dr. M. Govinda Rao was elected as the Chairman of the Committee. Mr. Satyananda Mishra attended the last Annual General Meeting of the Company held on September 19, 2016.*

The Company Secretary of the Company was the Secretary of the Committee. The Company Secretary & Compliance Officer can be reached at the registered office address of the Company (email: ig-mcx@mcxindia.com, Tel: +91 22 6731 8888, Fax: +91 22 6649 4151).

Details of the number of complaints received from shareholders and attended during the financial year ended March 31, 2017 are given below:

Opening balance	Received	Attended	Closing balance
0	22	22	0

The complaints were attended to the satisfaction of shareholders by the Company and / or its Registrar & Share Transfer Agent – Karvy Computershare Private Limited, and no complaints remained pending to be attended as at March 31, 2017.

Details of shares lying in the suspense account as at March 31, 2017 (Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI Listing Regulations):

Sr. No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at April 01, 2016	7	50
2.	Number of shareholders who approached the issuer for transfer of shares from suspense account during the year	0	0
3.	Number of shareholders to whom shares were transferred from suspense account during the year	0	0
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at March 31, 2017	7	50

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

The Broad terms of reference & constitution as at March 31, 2017 of other Board committees are as under:

i. **Investment Committee:** The Investment Committee approves the overall investment policy of the Company as well as any subsequent changes therein within the overall scope and framework of the policy and oversees the implementation of the policy. Following were the members of the Committee:

Mr. Subrata Kumar Mitra (C)
Mr. Arun Kumar Nanda
Mr. Hemang Raja
Mr. Chengalath Jayaram

ii. **Disciplinary Action Committee:** The Disciplinary Action Committee, *inter-alia*, formulates the policy for regulatory actions to be taken for various violations by the members of the Exchange and is responsible to set out the procedure relating to checks, inspections, enquiries and investigations in order to discover and to prevent and monitor, as the case may be, price manipulation, price distortion and trading malpractices. Following were the members of the Committee:

Mr. Arun Bhargava (C)
Ms. Pravin Tripathi
Mr. Prithvi Haldea
Mr. Mrugank Madhukar Paranjape

iii. **Defaulters' Committee:** The Defaulters' Committee, *inter-alia*, identifies and notifies a member as defaulter and realizes all the assets / deposits of the defaulter / expelled member and appropriate the same amongst various dues and claims against the defaulter / expelled member in accordance with the Rules, Byelaws and Business Rules of the Exchange; looks after the management of the Settlement Guarantee Fund and such other matters as the Board may direct, from time to time. Following were the members of the Committee:

Mr. Arun Bhargava (C)
Ms. Pravin Tripathi
Mr. Prithvi Haldea
Mr. Mrugank Madhukar Paranjape

iv. **Standing Committee on Technology:** The said Committee *inter-alia*, monitors the adequacy of system capacity and efficiency at the Exchange and investigates into problems of computerized trading system such as hanging / lowdown / breakdown and performs such other functions as prescribed by the Regulator and the Board. Following were the members of the Committee:

Mr. Chengalath Jayaram (C)
Mr. Saurabh Chandra
Mr. Prithvi Haldea
Mr. Amit Goela
Dr. Kavi Arya (outside expert)
Dr. Anil Vaidya (outside expert)
Mr. Mrugank Madhukar Paranjape

v. **Risk Management Committee:** The said Committee, *inter-alia*, monitors implementation of the risk management policy, oversees Exchange's integrated risk measurement system and risk and control measures that are needed to be built into the system. Following were the members of the Committee:

Mr. Subrata Kumar Mitra (C)
Mr. Hemang Raja
Mr. Arun Bhargava
Mr. J. Balasubramanian (outside expert)

vi. **Corporate Social Responsibility (CSR) Committee:** The Committee, *inter-alia*, formulates and recommends to the Board, a CSR policy (including changes thereto) and institutes a transparent monitoring mechanism for implementation of the CSR projects / programs / activities as per the said policy and recommends the expenditure to be incurred on such activities. Following were the members of the Committee:

Mr. Arun Kumar Nanda (C)

Dr. M. Govinda Rao

Ms. Padma Raghunathan

vii. **Independent Directors / Public Interest Directors' Committee:** The Committee assesses the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties, reviews the performance of the Chairperson, Non-Independent Directors and the Board as a whole and performs such other functions as prescribed in the Companies Act, 2013, the SEBI Listing Regulations and the SECC Regulations, 2012 and the rules / norms prescribed thereunder. The Committee comprises of all Independent Directors on the Board of MCX. Following were the members of the Committee:

Mr. Saurabh Chandra (C)

Mr. Arun Bhargava

Mr. Arun Kumar Nanda

Dr. M. Govinda Rao

Ms. Pravin Tripathi

Mr. Prithvi Haldea

Mr. Subrata Kumar Mitra

viii. **Ethics Committee:** This Committee oversees the implementation of the Code of Ethics for Directors and Key Managerial Personnel of the Exchange. Following were the members of the Committee:

Ms. Madhu Vadera Jayakumar (C)

Mr. Subrata Kumar Mitra

Mr. Mrugank Madhukar Paranjape

Mr. Ajay Puri

ix. **Independent Oversight Committee of the Governing Board for Member Regulation:** The said Committee oversees matters related to member regulations such as admission of members, inspection, disciplinary action, etc. Following were the members of the Committee:

Ms. Pravin Tripathi (C)

Mr. Prithvi Haldea

Mr. Arun Bhargava

Ms. Padma Raghunathan

x. **Independent Oversight Committee of the Governing Board for Trading And Surveillance Function:** The said committee oversees matters related to trading and surveillance related functions such as monitoring of market through order and trade level alerts, commodity level alerts, processing of alerts, price band changes, rumour verification, shifting of commodities for trade-for-trade settlement, details of investigation undertaken, disciplinary action, etc. Following were the members of the Committee:

Mr. Arun Bhargava (C)

Mr. Saurabh Chandra

Mr. Hemang Raja

Mr. Subrata Kumar Mitra

xi. **Advisory Committee:** The Committee advises the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies. It comprises of trading members of the Stock Exchange and the Chairperson of the Board as the head of the Committee. The MD & CEO is a permanent invitee to the meetings.

xii. **Oversight Committee for Product Design:** The Committee, constituted in terms of SEBI Circular CIR/CDMRD/DEA/03/2015 dated November 26, 2015, oversees matters relating to design of new products and such other matters as may be necessary. Following were the members of the Committee:

Mr. Prithvi Haldea (C)
Mr. Saurabh Chandra
Mr. Chengalath Jayaram
Ms. Madhu Vadera Jayakumar
Mr. Amit Goela

xiii. **Membership Selection Committee:** The Committee looks into selection /admission of members to the various segments of the Exchange. Following were the members of the Committee:

Mr. Arun Kumar Nanda (C)
Mr. Saurabh Chandra
Ms. Pravin Tripathi
Mr. Mrugank Madhukar Paranjape

xiv. **Arbitration Committee:** The Committee's terms of reference includes selecting persons to be included in the Panel of Arbitrators (arbitration panel) to be formed by the Exchange in accordance with its Byelaws, Regulations and Circulars of SEBI Ref. No. CIR/MRD/DSA/24/2010 dated August 11, 2010 and to decide the formats, procedures and other requirements in respect of Exchange arbitration proceedings as well as estimating the adequacy of resources dedicated to arbitration. Following were the members of the Committee:

Dr. M. Govinda Rao (C)
Mr. Prithvi Haldea
Mr. Amit Goela

xv. **Investor Services Committee:** The Committee supervises the functioning of Investors' Services Cell of the Exchange which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time and estimating the adequacy of resources dedicated to investor services, etc. Following were the members of the Committee:

Dr. M. Govinda Rao (C)
Mr. Prithvi Haldea

xvi. **Committee for Monitoring Compliances to SEBI Inspection Observations:** The Committee reviews the actions taken to implement the suggestions of SEBI's Inspection Reports, places the same before the Board and ensures compliance / implementation of the inspection observations. Following were the members of the Committee:

Mr. Subrata Kumar Mitra (C)
Mr. Arun Bhargava
Mr. Hemang Raja
Mr. Mrugank Madhukar Paranjape

xvii. **MCX Investor Protection Fund (IPF) Trust:** The trust has been created, *inter-alia*, for the protection, awareness and education of the Investors of the Commodity Exchange, in such manner as may be permitted by the Regulator and decided by the Trustees from time to time. Following were the members of the Trust:

Dr. K.G. Karmarkar (C)
Mr. B.G. Daga
Mr. Mrugank Madhukar Paranjape

4. GENERAL BODY MEETINGS:

(A) Details of the last three Annual General Meetings (AGMs) held:

Financial Year	Date	Time	Venue of the meeting
2015-2016 – 14th AGM	September 19, 2016	11.00 a.m.	Navinbhai Thakkar Auditorium, Near Rajpuria Hall, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057
2014-2015 – 13th AGM	September 29, 2015	11.00 a.m.	
2013-2014 – 12th AGM	September 23, 2014	11.00 a.m.	

(B) Particulars of Special Resolutions passed in the last three AGMs:

Date	Particulars
September 19, 2016	➢ Approving foreign investment through Automatic Route upto 34% of the paid-up share capital of the Company vis-a-vis the limit of 49%, being the sectoral cap/ statutory ceiling prescribed for Commodity Exchange
September 29, 2015	➢ No Special Resolutions were passed.
September 23, 2014	➢ Approving the appointment and remuneration of Mr. Parveen Kumar Singhal (DIN: 01237602) as Joint Managing Director for a period of 3 years ➢ Approving and ratifying the appointment and remuneration of Dr. Manoj Vaish (DIN: 00157082), Ex-Managing Director & Chief Executive Officer ➢ Approving modification in the ESOP – 2008 Scheme by permitting the eligible employees to exercise all options granted but not vested and / or options vested but not exercised after the expiry of one year of attaining the age of superannuation or expiration of the contract including extension thereof, if any, as the case may be, subject to the minimum vesting period of one year. ➢ Approving contracts / agreements / arrangements entered with related parties pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the rules made thereunder.

(C) Postal Ballot:

During the Financial Year 2016-17, no special resolution was passed through postal ballot. Also, no business required to be transacted through postal ballot is being proposed on or before the ensuing Annual General Meeting of the Company.

(D) Extra-ordinary General Meeting:

There was no Extra-ordinary General Meeting held during the Financial Year 2016-17.

5. DISCLOSURES:

(A) Disclosures on materially significant related party transactions

During the period commencing from April 1, 2016 to March 31, 2017, there has been transfer of penalties by the Company to an Independent Trust i.e. MCX Investor (Client) Protection Fund (IPF) which may be considered in the nature of material related party transactions (taken together for the entire FY). It may however be noted that the Company does not have any pecuniary relationship with IPF, which is independently managed, except to comply with the regulatory requirements. However, in view of clarification by the Institute of Chartered Accountants of India (ICAI), IPF is being treated as a related party and as such, transactions entered into by your Company with IPF entails a reporting requirement without the need for following other concomitance of a Related Party Transaction Policy. A detailed note on related party transactions is provided in the Directors' Report. The transactions with related parties have been disclosed in Note 35 of Notes to Accounts of Standalone as well as Consolidated Financial Statements of your Company. Further, the Related Party Transaction Policy of the Company is available on the website of the Company at https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/amended_policy_on_related_party_transactions_05may2016.pdf?sfvrsn=2

(B) Penalties or strictures imposed by Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets during the last three years

There were no instances of penalties or strictures imposed by Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.

(C) Whistle Blower Policy

Your Company has established a Vigil Mechanism / Whistle Blower Policy to enable Directors, Stakeholders, including individual employees and their representative bodies to report, in good faith, illegal or unethical practices / behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. The said mechanism ensures that the whistle blowers are protected against victimization / any adverse action and / or discrimination as a result of such a reporting. This Policy, *inter-alia*, provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no personnel of the Company have been denied access to the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the website of the Company at https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/whistle-blower-policy.pdf?sfvrsn=2

(D) Management's Discussions and Analysis

The Management's Discussion and Analysis is covered elsewhere in this Annual Report.

(E) CEO/CFO Certification

The certificate signed by the CEO and CFO in terms of Regulation 17(8) of the SEBI Listing Regulations was placed before the Board of Directors at its meeting held on May 04, 2017. This certificate is covered elsewhere in this Annual Report.

(F) Practicing Company Secretary's certificate on Corporate Governance

The Practicing Company Secretary's certificate regarding the compliance of conditions of Corporate Governance is covered elsewhere in this Annual Report.

(G) Compliance with Regulation 34(3) read with Schedule V of the SEBI Listing Regulations

Mandatory Requirements

The Company has complied with all mandatory requirements of corporate governance report as mentioned in sub para (2) to (10) of Schedule V(C) of the SEBI Listing Regulations.

Non-Mandatory Requirements

The Board – The Company maintains a Chairman's office at the Company's premises at its own expense and also reimburses expenses incurred by the Non-executive Chairman, Mr. Saurabh Chandra, in performing his duties.

Shareholder Rights – The Quarterly financial results as well as all significant information / events disseminated to BSE Ltd. are uploaded on the website of the Company and is available to all the shareholders.

Modified opinion(s) in audit report – The Auditors' Report on statutory financial statements of the Company is unmodified.

Separate posts of Chairman and CEO – The Company has separate posts of the Chairman and CEO.

Reporting of Internal Auditor – The Internal auditor reports directly to the Audit Committee.

6. SUBSIDIARY:

The Board / Audit Committee periodically review significant developments, transactions and arrangements entered into by the Unlisted Subsidiary Company, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL). The Board / Audit Committee also review the Financial Statements of the Subsidiary Company, including investments made by the company. The minutes of the Board meetings of the Subsidiary Company are periodically placed before the Board of Directors of the Company. The Company has formulated a Policy on Material Subsidiaries which has been disclosed on the website of the Company at https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/material-subsidiaries-policy.pdf?sfvrsn=2.

Further, the Company does not have any material unlisted subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of its Subsidiary Company.

7. MEANS OF COMMUNICATION:

The quarterly, half yearly, annual results of the Company are generally published in the newspapers, namely, *Business Standard / Economic Times* – English daily newspapers with circulation in the whole or substantially the whole of India and *Navshakti / Maharashtra Times* – Marathi daily newspapers. The financial results, shareholding pattern, press releases, stock information, annual reports, investor presentations are uploaded on the website of the Company www.mcxindia.com.

The financial results, investors' presentation and other information are also disseminated to the Stock Exchange (i.e. BSE Ltd.) where the securities of the Company are listed, as required / prescribed under the SEBI Listing Regulations.

Significant events, if any, during the Financial Year, are reported to the Stock Exchange and also posted on the website of the Company www.mcxindia.com from time-to-time. The Company's website gives information on trading, clearing & settlement, circulars issued by the Exchange, market data, Exchange rules, Bye-Laws, Business Rules, products, contract specifications of products and membership related information etc.

Go Green Initiative:

As a part of its green initiative, the Company has taken necessary steps to send documents viz. notice of the general meeting, Annual Report, etc. at the registered email addresses of shareholders. Those who have not yet registered their email ids are requested to register the same with the Registrar & Share Transfer Agent (RTA) / Depository, to enable the Company to send the documents by the electronic mode. Physical copies shall be sent to all those members whose email addresses are not registered with the Company / RTA / Depository and to those who have requested the Company that they wish to receive the documents in physical mode.

8. GENERAL SHAREHOLDER INFORMATION:

1.	Day, Date, Time and Venue of Annual General Meeting (F.Y. 2016-17)	Tuesday, August 22, 2017 at 11.30 a.m. at Nehru Centre Auditorium, Dr. Annie Besant Road, Worli, Mumbai – 400 018
2.	Financial year	April 1, 2016 to March 31, 2017
3.	Book Closure date	The Register of Members and Share Transfer Books shall be closed from August 17, 2017 to August 22, 2017 (both days inclusive) for the purpose of ensuing Annual General Meeting. The dividend, if approved by the shareholders at the ensuing Annual General Meeting, shall be paid: – To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, August 16, 2017; – To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Wednesday, August 16, 2017.
4.	Dividend payment date	The Board has recommended, subject to the approval of members at the Annual General Meeting, a dividend of ₹ 15/- per share. The dividend will be paid on or after August 31, 2017 but within the statutory time limit.
5.	Mode of payment of dividend	The dividend shall be remitted through electronic mode where the requisite details are available with the Company, and in all other cases, through Account Payee / non-negotiable instruments.
6.	Listing on Stock Exchanges	The equity shares of the Company are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The annual listing fee for the years 2016-17 and 2017-18 has been paid to BSE Ltd. Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref. No.: 202/2012 dated March 7, 2012 notified that with effect from March 09, 2012 the Company's equity shares were permitted to be traded and admitted to dealings on NSE (Capital market segment).
7.	Stock Market Code	BSE 534091 Reuters MCEI.BO Bloomberg MCX:IN
8.	Registrar & Share Transfer Agent	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032. Ph: 040-67162222, Fax: 040-23001153 Toll Free no.: 1800-345-4001 Email: einward.ris@karvy.com

9.	Share Transfer system	99.99% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. Shares sent in physical form are generally registered and returned within a period of 15 days from the date of lodgement, provided the documents are in order in all respects.
10.	Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	As at March 31, 2017, the Company did not have any outstanding GDRs/ ADRs / Warrants or any convertible instruments.
11.	Commodity price risk or foreign exchange risk and hedging activities	Not applicable
12.	Exchange operations are located at	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India.
13.	Address for Correspondence	**Registered Office:** Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India. Tel: +91-22-6731 8888 Fax: +91-22-6649 4151 Website: www.mcxindia.com
14.	Depository for Equity shares	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
15.	Demat International Securities Identification Number (ISIN) allotted to the equity shares of the Company under the Depository System	INE745G01035
16.	Corporate Identification Number (CIN) of the Company	L51909MH2002PLC135594

Unclaimed Dividend

As per the provisions of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which are unpaid/unclaimed for a period of seven years from the date of transfer to unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Cental Government. Further, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

Shareholders who have not yet encashed/claimed their dividend are requested to encash/claim the same from the Company/RTA of the Company before it is transferred to the IEPF. The details of the unpaid/unclaimed amounts lying with the Company are available on the website of the Company at https://www.mcxindia.com/investor-relations/iepf-unclaimed-unpaid-amount.

Shareholders whose dividend/shares are transferred to the IEPF Authority can now claim the same from the Authority by following the Refund Procedure as detailed on the website of IEPF Authority.

Dematerialisation of Shares and Liquidity:

The shares of the Company are tradable compulsorily in dematerialised (electronic) form, and through Karvy Computershare Private Limited, Registrar & Share Transfer Agent, we have established connectivity with both the depositories viz. NSDL and CDSL. The bifurcation of the category of shares in physical and electronic mode as on March 31, 2017 is given below:

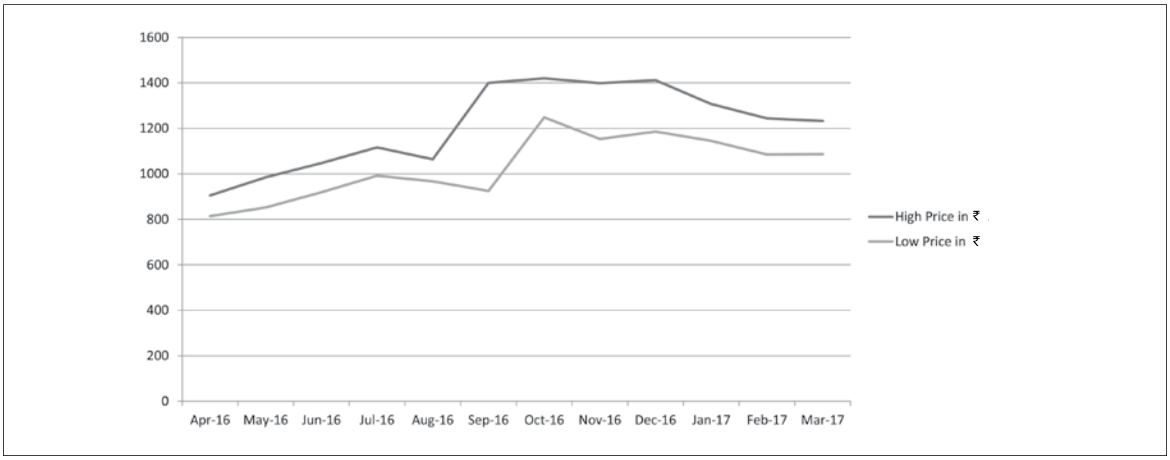
Category	No. of shareholders	% of shareholders	Total Shares	% of Equity
PHYSICAL	12	0.0086	1,138	0.0022
DEMAT				
– NSDL	90,906	64.7151	38,536,746	75.5647
– CDSL	49,553	35.2763	12,460,485	24.4331
Sub Total	140,459	99.9914	50,997,031	99.9978
Total	**140,471**	**100.00**	**50,998,369**	**100.00**

9. MONTH-WISE STOCK MARKET DATA:

High, Low during each month and trading volumes of the Company's Equity shares during the last financial year at BSE are given below:

Month	BSE Limited		
	High Price in ₹	Low Price in ₹	No. of shares traded during the month
Apr-16	904.80	814.00	786,476
May-16	984.90	852.00	1,156,183
Jun-16	1,047.35	919.00	876,073
Jul-16	1,115.90	992.00	945,964
Aug-16	1,063.60	967.00	729,653
Sep-16	1,400.00	924.50	3,277,481
Oct-16	1,420.00	1,248.00	1,249,216
Nov-16	1,398.70	1,153.30	1,337,910
Dec-16	1,411.40	1,185.60	1,204,722
Jan-17	1,307.00	1,145.00	2,981,085
Feb-17	1,244.00	1,085.00	1,126,204
Mar-17	1,232.00	1,086.30	841,129

MCX Share Price Data on BSE



10. SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES:

Performance of the Company's closing price of shares vis-a-vis the Sensex at a common base of 100 is given below:

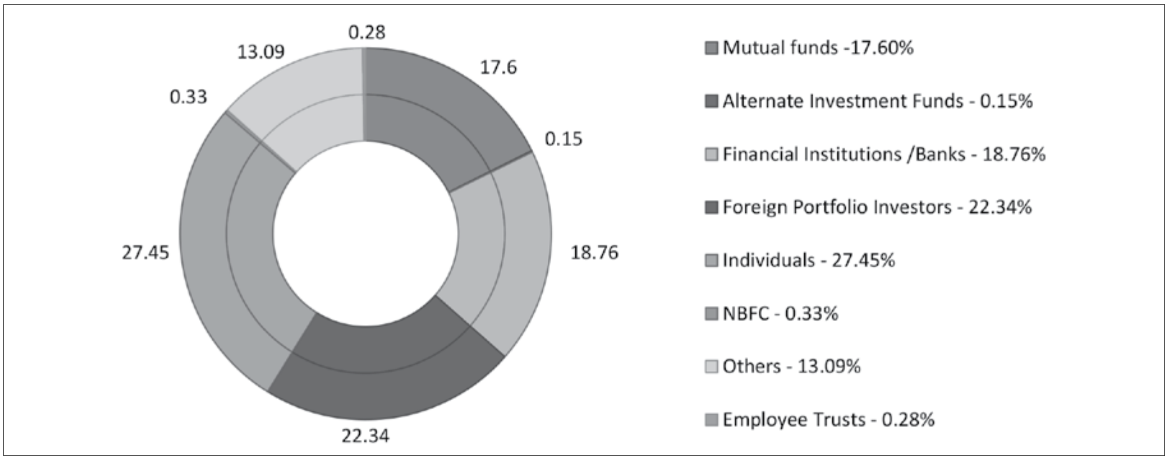
11. DISTRIBUTION OF SHAREHOLDING & SHAREHOLDING PATTERN AS ON MARCH 31, 2017:

Distribution of Shareholding:

Sr. No.	Category (Amount)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1.	1 - 5000	136,546	97.2058	4,929,530	9.6661
2.	5001 - 10000	1,836	1.3070	1,398,350	2.7420
3.	10001 - 20000	947	0.6742	1,388,146	2.7219
4.	20001 - 30000	336	0.2392	849,017	1.6648
5.	30001 - 40000	148	0.1054	526,052	1.0315
6.	40001 - 50000	118	0.0840	546,855	1.0723
7.	50001 - 100000	212	0.1509	1,569,636	3.0778
8.	100001 & Above	328	0.2335	39,790,783	78.0236
	Total	**140,471**	**100.00**	**50,998,369**	**100.00**

Shareholding pattern:

Category	No. of shares held	% of shareholding
(A) PROMOTER AND PROMOTER GROUP		
(1) INDIAN	–	–
Sub-Total A(1)	**0**	**0**
(2) FOREIGN	–	–
Sub-Total A(2)	**0**	**0**
Total A=A(1)+A(2)	**0**	**0**
(B) PUBLIC SHAREHOLDING		
(1) INSTITUTIONS		
(a) Mutual Funds	8,976,815	17.60
(b) Alternate Investment Funds	75,000	0.15
(c) Financial Institutions / Banks	9,567,061	18.76
(d) Foreign Portfolio Investors	11,395,384	22.34
Sub-Total B(1)	**30,014,260**	**58.85**
(2) NON-INSTITUTIONS		
(a) Individuals	13,997,755	27.45
(b) NBFC	167,344	0.33
(c) Others		
– Bodies Corporate (includes beneficial holding)	4,941,777	9.69
– Trusts	17,466	0.03
– Non-Resident Indian	792,058	1.55
– Non-Resident Indian (Non-Repate)	212,275	0.42
– Clearing Members	74,794	0.15
– Directors and their Relatives	4,716	0.01
– HUF	634,258	1.24
– Foreign Nationals	600	0.00
Sub-Total B(2)	**20,843,043**	**40.87**
Total B=B(1)+B(2)	**50,857,303**	**99.72**
(C) NON PROMOTER - NON PUBLIC SHAREHOLDER		
(a) Employee Trusts	141,066	0.28
Total (A+B+C)	**50,998,369**	**100.00**



12. RECONCILIATION OF SHARE CAPITAL AUDIT:

As stipulated by SEBI, a qualified Practising Company Secretary carries out, on a quarterly basis, Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital and the report thereon is submitted to BSE Ltd., where the Company's shares are listed. Based on the audit report, it is certified / confirmed that the total listed and issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

For and on behalf of the Board of Directors

Saurabh Chandra
DIN: 02726077
Chairman of the Board

Mumbai
July 13, 2017

CEO/CFO CERTIFICATION FOR THE FY 2016-17

The Board of Directors,
Multi Commodity Exchange of India Limited
Exchange Square, CTS No. 255,
Suren Road, Andheri - East,
Mumbai – 400 093.

We, Mrugank Madhukar Paranjape, Chief Executive Officer and Sanjay Wadhwa, Chief Financial Officer of Multi Commodity Exchange of India Limited, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2017 and to the best of our knowledge and belief, subject to Emphasis of Matter highlighted by the Statutory Auditors in their even dated report read along with the notes to accounts in the financial statements.

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

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

(c) We accept the responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the Statutory Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls.

(d) We have indicated to the Statutory Auditors and the Audit Committee:

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

The aforesaid are subject to the matters that have been highlighted by the Statutory Auditors in their report giving Emphasis of Matter, read along with the notes to accounts in the financial statements.

For Multi Commodity Exchange of India Limited

Mrugank Madhukar Paranjape
Chief Executive Officer

Sanjay Wadhwa
Chief Financial Officer

Mumbai
May 4, 2017

DECLARATION BY CHIEF EXECUTIVE OFFICER UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Multi Commodity Exchange of India Limited, as applicable to them, for the Financial Year ended March 31, 2017.

Mumbai
July 13, 2017

Mrugank Madhukar Paranjape
MD & CEO

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Multi Commodity Exchange of India Limited
Exchange Square, Chakala, Suren Road,
Andheri (East), Mumbai – 400 093

We have examined the compliance of conditions of Corporate Governance by **Multi Commodity Exchange of India Limited** ('the Company') for the Financial Year ended March 31, 2017 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

FOR RATHI & ASSOCIATES,
COMPANY SECRETARIES

HIMANSHU S. KAMDAR
PARTNER
FCS NO.: 5171
COP NO.: 3030

Place: Mumbai
Date: July 13, 2017

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L51909MH2002PLC135594
Name of the Company	Multi Commodity Exchange of India Limited
Registered address	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
Website	www.mcxindia.com
E-mail id	info@mcxindia.com, ig-mcx@mcxindia.com
Financial Year reported	April 01, 2016 – March 31, 2017
Sector(s) that the Company is engaged in (industrial activity code-wise)	Multi Commodity Exchange of India Limited (MCX) is a commodity derivatives Exchange governed by the Securities Contracts (Regulation) Act, 1956 and the regulations made thereunder. Section K: Financial and Insurance Activities, Division 66: Other Financial Activities, Administration of Financial Markets, NIC Code - 66110
List three key products/services that the Company manufactures/provides (as in balance sheet)	MCX is a widely held commodity derivatives Exchange engaged in providing a platform to facilitate nationwide online trading, clearing & settlement operations of commodities futures transactions.
Total number of locations where business activity is undertaken by the Company: (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	The Exchange operations are carried out from its Mumbai location. Additionally, the Company has Branch offices in 10 (Ten) other locations within India.
Markets served by the Company -Local/State/ National/International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2017

1.	Paid up Capital (INR)	509.99 Million
2.	Total Revenue (INR)	3758.65 Million
3.	Total profit after taxes (INR)	1262.71 Million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	32.89 Million (2.60 % of PAT)
5.	List of activities in which expenditure in 4 above has been incurred	List of activities in which expenditure has been incurred for the CSR activities is covered in Annexure III of the Directors Report.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Remark
1.	Does the Company have any Subsidiary Company/Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No. In future, MCX intends to expand its boundaries for implementation of the sustainability policies and practices amongst the relevant stakeholders.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a)	**Details of the Director responsible for implementation of the BR policy/policies (F.Y. 2016-17)**	**Details**
	DIN Number	02162026
	Name	Mr. Mrugank Madhukar Paranjape
	Designation	MD & CEO
(b)	**Details of BR head (F.Y. 2016-17)**	**Details**
	DIN Number (if applicable)	NA
	Name	Mr. Ajay Puri
	Designation	Company Secretary
	Telephone number	022-67318888
	e-mail id	ajay.puri@mcxindia.com

2. Principle-wise (as per National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India) BR Policy/ policies:

(a) Details of compliance (Replied in Y/N):

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for #	Y	Y	Y	Y	Y	Y	N	Y	N
2	Has the policy being formulated in consultation with the relevant stakeholders? (Wherever 'Y', Refer Note 1)	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words) (Wherever 'Y', Refer Note 2)	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.
4	Has the policy being approved by the Board and has been signed by Company Secretary. (Wherever 'Y', Refer Note 3)	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? (Wherever 'Y', Refer Note 4)	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.
6	Indicate the link for the policy to be viewed online? (Wherever 'Y', Refer Note 5)	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.
7	Has the policy been formally communicated to all relevant internal and external stakeholders? (Wherever 'Y', Refer Note 6)	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? (Wherever 'Y', Refer Note 7)	Y	Y	Y	Y	Y	Y	N.A.	Y	N.A.

Notes:

1. All the policies have been formulated in accordance with the legal stipulations governing them and/or in consultation with the Management of the Company.

2. Policies are formulated ensuring adherence to the applicable laws of the country. Further, MCX Environment Policy also conforms to ISO 14001:2004 and the Standard Operating Procedure conforms to ISO – 9001, ISO 14001, ISO- 27001.
3. The policy(ies) are approved by the Board of Directors/Committee of the Board of Directors/Senior Management of the Exchange.
4. The Board has appointed Mr. Mrugank Madhukar Paranjape, MD & CEO, to oversee the implementation of various policy(ies) formulated by the Company.
5. These policies are either available on the website of the Company/on the intranet (available to employees). The web links of the policies as available on the website of the Company are as follows:

MCX Code of Conduct for Board of Directors and Senior Management	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/code-of-conduct.pdf?sfvrsn=2
Code of Ethics for Directors and Key Management Personnel of Stock Exchanges	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/code_of_ethics_for_directors_and_key_management_personnel_22june2017.pdf?sfvrsn=2
Bye law 14 of Bye laws of the Company	https://www.mcxindia.com/docs/default-source/about-us/legal-framework/bye-laws_pdf.pdf?sfvrsn=2
Policy relating to avoidance by Directors and Key Managerial Personnel of Conflict of Interest	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/policy_relating_to_avoidance_of_conflict_of_interest_by_directors_and_kmps_22june2017.pdf?sfvrsn=2
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/code_of_practices_and_procedures_for_fair_disclosure_of_unpublished_price.pdf?sfvrsn=2
Code of Conduct for Prevention of Insider Trading	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/code_of_conduct_for_prevention_of_insider_trading_03apr2017.pdf?sfvrsn=2
Whistle Blower Policy	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/whistle-blower-policy.pdf?sfvrsn=2
Policy Disclosure of Material Events and Information	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/policy-on-disclosure-of-material-events-and-information.pdf?sfvrsn=2
Criteria for Eligibility, Retention and re-introduction of derivative contracts on Commodities	https://www.mcxindia.com/docs/default-source/default-document-library/circular-024-2017.zip
Corporate Social Responsibility Policy	https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/mcx_csr_policy.pdf?sfvrsn=2

6. The policies have been uploaded on the website/intranet etc. Further, these policies have also been formally communicated to relevant key stakeholders, as the case may be.
7. The Company carries out independent audit of the working of certain policies by external agency/(ies). The evaluation of the working of other policies is generally done through internal mechanism. In future, MCX may intend to carry out independent audit/evaluation of the working of those other policies also by an external agency. The Exchange, being a regulated entity, SEBI, the sectoral regulator carries out inspection for each financial year wherein an independent evaluation of the working of the statutory Committees and policies are undertaken by them.

(b) As the answer to the question at serial number 1 against principle 7 is 'No' the explanation is as below:

No.	Questions	P7	P9
1	The company has not understood the Principles		
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		
3	The company does not have financial or manpower resources available for the task		
4	It is planned to be done within next 6 months	√	
5	It is planned to be done within the next 1 year		√

3. Governance related to BR:

a.	Frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.	This being the first year when the BR policy becomes statutorily applicable to the Company, going forward, the Company proposes to assess its BR performance annually.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for FY17 can be accessed under the Annual Report heading through the link: https://www.mcxindia.com/investor-relations It is proposed to be published annually.

 # Principle wise Policies/Practices:

P 1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Policies:

MCX Code of Conduct for Board of Directors and Senior Management, Code of Ethics for Directors and Key Management Personnel of Stock Exchanges, Code of Ethics for Executives of the Exchange (MCX), MCX Code of Conduct for Members, Policy relating to avoidance by Directors and Key Managerial Personnel of Conflict of Interest, Code of Practices & Procedures For Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct for Prevention of Insider Trading, Policy for appointment of Independent External Persons on Committees of the Board, Whistle Blower Policy, Policy Disclosure of Material Events and Information, Clauses on prevention of Fraud and Anti Money Laundering are included in MCX Employee Handbook.

P 2 PRODUCT LIFECYCLE SUSTAINABILITY

Procedure:

Standard Operating Procedure (SOP)

SEBI Circular relating to Criteria for Eligibility, Retention and re-introduction of derivative contracts on Commodities.

Practices:

- The commodity derivative contracts are the principal products of the Exchange. All products i.e. the Commodity derivatives contracts, launched by the Company are in accordance with the regulatory approvals. The Exchange strives to engage stakeholders at every stage of product design and reviews the factors affecting the performance of the products on a regular basis. The practical experience garnered by the Exchange coupled with domain expertise backed by extensive research enables the Exchange to assess the market needs and introduce new products on a regular basis. The Exchange regularly organizes stakeholder meets with an aim to discuss issues with an objective to make the market more participant-friendly. Product Advisory Committee is an institutional mechanism to gather stakeholders' feedback on the products, which helps in building sustainability of the products.
- The Exchange strives to enhance awareness and understanding of exchange-enabled trades in commodity derivatives, and towards that end, conducts a large number of awareness programmes across the country. It makes constant efforts to create products that enable stakeholders to minimize the adverse effects of price volatilities; providing commodity ecosystem participants with neutral, secure and transparent trade mechanisms; formulating quality parameters, trade regulations and effective risk management systems with approval of the regulatory authority.
- Adopting advancements in technology enables the Exchange to provide more efficient trade execution services, increases economies of scale and reach of the Exchange, maximizes the use of environment-friendly processes and contributes to the sustainability in the Exchange's business operations.
- The Exchange strives for the growth of India's commodity derivatives market through conduct of awareness programmes and education initiatives, often in association with educational institutions. The Exchange also engages with publications and media houses to spread awareness about risk management using commodity derivatives, targeted at specific stakeholder groups such as farmers, small and medium enterprises, commodity traders, processors, etc.

P 3 EMPLOYEE WELLBEING

Policies:

Whistle Blower Policy; Prevention, Prohibition, Redressal of Sexual Harassment to women at workplace Policy; Remuneration Policy for Directors, KMP, SMT and other employees; Insurance Policy; Gratuity Policy; Leave Policy; Retirement Policy; Office Timing Policy; Maternity Benefits Policy; Affirmation Action Policy; Provident Fund Policy.

Practices:

Town Hall, Skip Level Meeting, Discussion with HR.

P 4 STAKEHOLDER ENGAGEMENT

Policies:

Affirmative Action Policy, Corporate Social Responsibility Policy.

P 5 HUMAN RIGHTS

Policies:

Equal employment opportunity clause as included in Employee Handbook, Redressal of Sexual Harassment to women at workplace Policy, Affirmative Action Policy, Code of Ethics, Disciplinary Action Policy.

P 6 ENVIRONMENTAL MANAGEMENT

Policies:

MCX Environment Policy, MCX E-waste Management Policy, Corporate Social Responsibility Policy.

Practices:

- Maintain adequate capacitor bank for non-linear electrical loads like air-conditioning plant, pumps and Heat Recovery System, thereby reducing the drawing of extra energy and improving power factor.
- Preventive maintenance of air conditioning system on scheduled basis and ensuring that the heat sensors and electronic components are properly functioning for compressors to achieve variable compression linked to heat levels for reduction in power consumption.
- Exchange Data Center has in-row cooling system for servers that cools equipment only and not the external environment to ensure that no energy is wasted in running compressors excessively, to maintain the desired temperature levels of external environment.
- Motion sensors connected to lighting were installed in washrooms where the footfall is low, adds to energy savings.
- LED lighting at Disaster Recovery site at GIFT City, reduces the energy consumption and achieve energy savings.
- Strict implementation and monitoring of equipment on/off schedule, helps in reducing wastage of energy.
- Recycling of e-waste through authorized agencies.
- Rain water harvesting.

P 7 PUBLIC ADVOCACY

Practices:

- Your Exchange aims to encourage enterprises and physical market participants to take advantage of price discovery and hedging mechanisms that the Exchange facilitates; and to make policy-makers and academia and think tanks aware of the policy issues that impact the growth of the commodity futures market and its ecosystem.
- Your Exchange endeavors to drive its advocacy primarily on issues and towards objectives which are of significance to all stakeholders of the commodity derivatives market and for making the market more relevant and inclusive.

- Your Exchange follows an approach of evidence-based advocacy for creating a facilitative policy environment with governments, regulatory bodies and other key stakeholders. It undertakes objective assessments of the socio-economic implications of the exchange-traded products, as also their impacts and ability to perform an important role in efficient price discovery, reduction in spot price volatility and reduction in information asymmetry, leading to the breaking down of certain commodity cartels. As part of the evidence-based advocacy efforts, it endeavors to widely disseminate the outcomes of such objective assessments among key stakeholders including policymakers, regulatory bodies, media, academia, etc.
- Your Exchange also makes representations at various forums on the need to have more congenial tax laws and policy environment to facilitate growth of India's commodity markets.
- Your Exchange endeavors to pursue policy advocacy using the platforms like trade and industry chambers and associations and towards this end engages extensively with local, national and international industry associations and trade bodies specific to commodities.
- Your Exchange maintains total transparency in its advocacy efforts and insists and encourages the same with its partner organizations involved in such efforts.

P 8 GROWTH AND EQUITABLE DEVELOPMENT

Policies:

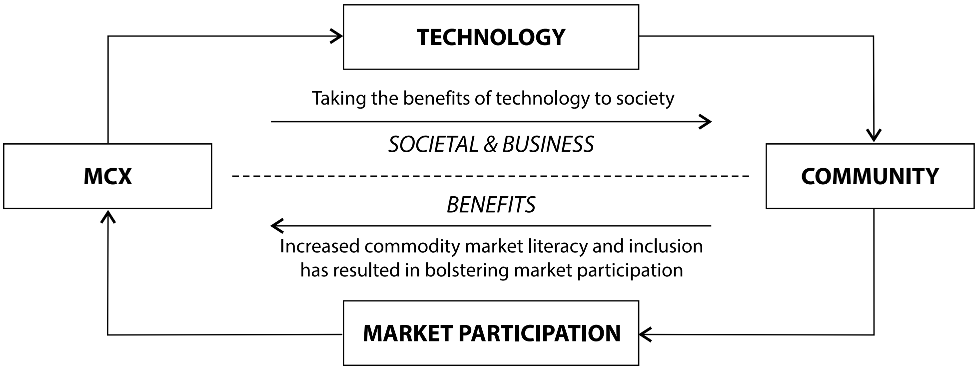
Corporate Social Responsibility Policy, Affirmative Action Policy

P 9 VALUE FOR CUSTOMERS AND CONSUMERS

Practices:

- The commodity derivative contracts are the principal products of the Exchange. The exchange while launching the products consults all the stakeholders and parties involved to ensure the well-being of the Members/clients.
- Through Circulars, the Exchange discloses all the information truthfully and factually. The Exchange also makes available publications, reports, dos and don'ts, etc. to all the Members/clients to spread awareness of the benefits, risks, etc. so the customers can trade responsibly.
- Your Exchange conducts educational, training and awareness sessions to educate the Members/clients on efficient usage of our products and services.
- Your Exchange ensures that all our promotion and awareness is carried out to give more clarity to Members/clients regarding participation in the futures market including appropriately educating market participants of the risks of trading in the products, advertising Do's and Dont's, and ensuring that the same does not violate the guidelines laid down by the regulator.
- Your Exchange; being Self-Regulatory Organisation (SRO) & no direct access to investors; regulates members who advertise products traded on exchange & deal with investors/clients. It inspects members & check whether member has followed code of advertisement issued to members through circular Schemes/Leagues/Competitions launched by registered Stock Brokers; Code of Advertisement & Compliance requirements.
- Your Exchange has a set mechanism in place to handle any grievances/complaints raised by any of the customers through Customer Service and Quality desk and Investor Service Centres. Your Exchange has implemented facility of e-complaint for investors.
- Your Exchange gathers annual feedback from members on the exchange service which becomes basis for changes in various operational processes related to members.

SECTION E: PRINCIPLE-WISE PERFORMANCE



PRINCIPLE 1: BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   At MCX, our governance is grounded on the foundation of ethics, driven by robust mechanisms, policies, processes and practices, ensuring high standards of accountability and transparency. MCX is committed to acting professionally, fairly and with integrity in all its dealings with the stakeholders that includes Members, Clients, Directors, Employees, Shareholders/investors, Regulatory authorities, physical market participants, suppliers/vendors etc.

   To this effect the Company pursues the following practices and have policy, wherever feasible. The Company presently extends such policy(ies) to the following:

   a. **Directors/Employees:** Your Exchange enacted a *"Code of Conduct"* for Board of Directors and Senior Management and *"Code of Ethics"* for Directors, Key Management Personnel and Executives of the Exchange with the underlying philosophy of conducting the business in an ethical, transparent and responsible manner. Further, the Company also obtains declarations with respect to the 'fit & proper criteria' as defined under Regulation 20 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 from its Directors/Key Management personnel.

   b. **Members:** The Exchange also ensures compliance of ethical standards by its Members through appropriate clauses in the undertakings which they are obligated to comply with like observing high standards of commercial honour of just and equitable principles of trade. The Code of Conduct for Members obligates them that they shall not guarantee any profits, returns or avoidance of loss to any client.

   c. **Suppliers/vendors:** The Exchange communicates to all vendors during the registration phase, in the Solicitation Documents and in the Contract documents that in their dealings with the Exchange they shall adhere to the highest ethical standards at all times including during the bidding process and the execution of a contract.

   d. **Shareholders/Investors:** The Company obtains declarations from certain specified shareholders, either annually (shareholder holding more than 2%) or otherwise, confirming compliance with 'fit & proper criteria' as defined under Regulation 20 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

   Further, in its commitment to maintain high ethical standards in its business and practices, the Company intends to pursue similar practices in its wholly owned subsidiary, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) on its operationalization.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Your Exchange generally receives complaints from the following stakeholders:

A. **Members:**

All complaints received in Customer Service & Quality (CSQ) either pertains to Networking or System related issues/grievances from Members:

i. Networking related complaints include Leased Line, VSAT & Internet connectivity related issues and

ii. System related problems/complaints include Exchange Problems such as Login Problems, or problems in placing orders and other System issues.

Under CSQ, your Exchange bifurcates query/complaint & suggestions as mentioned below:

i. Query: Calls/Emails which does not hamper trading activities of MCX Member.

ii. Complaint: Calls/Emails pertaining to connectivity issues of the Members with MCX, other system issues, etc. and which hampers trading activities of MCX Member.

iii. Suggestion: Calls/Emails pertaining to suggestion or improvement required on MCX Operations, Customer Support, Systems & Networking, Membership and Compliance processes which will improve customer responsiveness.

B. **Investors (Client):**

Investors/Clients can approach the Investors Grievance Department of the Exchange for redressal of their grievance against the registered trading member of the Exchange. Investors/Clients may lodge the complaints in the format prescribed along with supporting documents/by sending email on grievance@mcxindia.com/ submitting their complaint to the nearest Investor Service Centre/online mode through Exchange website. Generally, the complaints which falls within the purview of the Exchange are taken up for resolution by the Exchange. Details of the same are provided on the Exchange website.

C. **Arbitration:**

Arbitration is a quasi-judicial process of settlement of disputes between Trading Members and its Client/ investors. Arbitration aims at quicker resolution of the disputes. When either of the parties is not satisfied with the complaint resolution process or the complaint is not resolved amicably between parties, the parties may choose the route of arbitration as per Rules, Byelaws and Business Rules of the Exchange.

D. **Shareholders:**

Shareholders generally approach the Company with their complaints either directly or through SCORES/BSE i.e. the Exchange where the shares are listed/Karvy i.e. Company's Registrar and Share Transfer Agent.

Complaints from:	As at April 01, 2016	Received during the year	Disposed off	% Satisfactorily resolved	Pending as at March 31, 2017
Members	0 0	Calls: 1599 E-mail: 189	1599 189	100%	0
Investor(Client)	18	916	917	98.18%	17
Arbitration	300	1091	1354	97.34%	37
Shareholders	0	22	22	100%	0

PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The following are some of the initiatives undertaken by the Company to address social concerns and/or avail opportunities:

   a. Introduction of mini contracts in several commodities for promoting inclusiveness in the commodity derivatives market by enabling small stakeholders to manage their commodity price risks.

   b. Involving all physical market stakeholders at every stage of product design and its review, to make the products relevant to the stakeholders. Product Advisory Committee is an institutional mechanism to gather stakeholders' feedback on the products.

   c. Launching *Gramin Suvidha Kendra* as an innovative service delivery initiative, in partnership with India Post, for price dissemination on agricultural commodities to rural communities.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   Not applicable

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   During sourcing of vendors, your Exchange emphasizes that the supplies are sourced locally to reduce the cost & delivery mechanism without compromising on quality. Currently, there is no systematic way to capture the sustainability data of the vendors while sourcing. Further, the Greenhouse Gas Emission (GHG) due to energy savings have reduced from 1649 MT CO_2 in 2015-16 to 1581 MT CO_2 in 2016-17.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   More than 95% of the procurement is done from the local market for product and the services. Your Exchange creates a pool of database of local suppliers who can be approached for future requirements. During festive season, MCX organises sale of products made by local tribals/communities through a NGO.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   Approx. 90% of Old Cardboard, newspapers, plastic & packing materials are sent to the NGO who further direct such supplies to recycling units. Approx. 95% E-waste is disposed off through e-waste recycling agencies. Approx. 10% of water is reused for cleaning purpose of the premises.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. **Please indicate the Total number of employees:**

   As at March 31, 2017 - 388 (including Trainees & Probationary)

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

   As at March 31, 2017 - 7 (Seven)

3. **Please indicate the Number of permanent women employees:**

   As at March 31, 2017 - 65 (Sixty five)

4. Please indicate the Number of permanent employees with disabilities:

As at March 31, 2017 - 1 (One)

5. Do you have an employee association that is recognized by management:

No

6. What percentage of your permanent employees is members of this recognized employee association?

N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a. Permanent Employees: 82%

b. Permanent Women Employees: 95%

c. Casual/Temporary/Contractual Employees: 29%

d. Employees with Disabilities: 100%

PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

1. Has the company mapped its internal and external stakeholders?

The Exchange engages with myriad stakeholders and has mapped its key stakeholder's viz. Members, employees, physical market participants, Shareholders and investors, regulatory authorities, suppliers/vendors etc.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Exchange strives to reach out to the vulnerable sections of society lying at the bottom of its pyramid. It believes that one of the important factor is the lack of knowledge among Indian farmers about various aspects of their occupation and hence your Exchange strives to create awareness amongst them through dissemination of prices, providing future price signals, farmer training and/or awareness programmes, organizing farmers field day events, informing them about new agricultural techniques and wherever feasible impart training in using the same, creating livelihood opportunities through wadi and kitchen garden programmes etc.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

One of the objectives of the Exchange is to demonstrate the utility of the futures market to marginalised players in the commodities ecosystem by creating sustainable and viable models, whereby they de-risk themselves from the vagaries of the price fluctuations.

As a part of our commitment to the community we operate in, we make efforts to develop and demonstrate sustainable ways of getting the markets to work for the farmer. We take small, yet significant steps to do this through:

1. Our social inclusion project in association with India Post, called Gramin Suvidha Kendra (GSK). This project is an activity which provides farmers future price signals, thereby spearheading a silent revolution wherein farmers become better informed about the prevailing prices for their commodity(ies) in the nearby markets which enables them to make sound business decisions. This initiative works on the principle and belief of shifting farmers from being mere 'producers' to becoming 'marketers'. For further details on Gramin Suvidha Kendra, refer Annexure III – Corporate Social Responsibility of the Directors' Report.

2. Engaging in dissemination of prices through Push based SMS on Mobile & using Ticker boards, the details of which are as follows:
   a. **Price Dissemination through Push based SMS on Mobile:**

      Exchange has continued the implementation of push based SMS service on Mobile, which disseminates Exchange traded commodity future contract price information on mobile of registered users without any charge. The said facility has been implemented on the website under MyMCX section of website.
   b. **Price Dissemination through Ticker Boards:**

      MCX installed 718 Ticker boards across various mandis in 11 States in a span of 5 years starting from FY 2009-10 to FY 2014-15, which presently provides national Agriculture commodity price information by disseminating price information (both spot and futures) through ticker board in identified locations, i.e. Mandis [Agri Market place & Krishi Vigyaan Kendra's (KVKs), etc.]

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   Your Exchange complies and adheres to all the human rights laws and guidelines of the Constitution of India, national laws and policies. Your Exchange respects the human rights of all its Members/clients, employees, partners etc., upholding the dignity of every individual. As mandated by the Fair Practice Code, the Exchange offers its products and services without any discrimination. All the employees are given the opportunity to address their issues thereby following the principles of natural justice. Further, the statutory compliance of all contractors on minimum wages is reviewed and monitored. The Exchange does not employ child labour.

   Further, in its commitment to respect and promote human rights, the Company intends to extend similar practices in its wholly owned subsidiary, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) on its operationalization.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the F.Y. 2016-17, no stakeholder complaints pertaining to Human Rights were received.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   The Policy covers internal & external stakeholders.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/mcx_csr_policy.pdf?sfvrsn=2

3. **Does the company identify and assess potential environmental risks?**

   Yes.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   The Company presently does not have any project related to Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.**

   The Exchange has undertaken the following energy saving initiatives for FY 2016-17:

   - Exchange Data center has in-row cooling system for servers that cool equipment's only and not the external environment to ensure that no energy is wasted in running compressors excessively, to maintain the desired temperature levels of external environment.

- Motion sensors connected to lighting installed in washrooms where the footfall is low, which in turn adds to energy savings.
- Strict implementation and monitoring of equipment on/off schedule to help reduce wastage of energy.
- Maintaining adequate capacitor bank for non-linear electrical loads like air-conditioning plant, pumps and Heat Recovery System, to reduce drawing of extra energy and to improve power factor.
- Preventive maintenance of air conditioning system on scheduled basis and ensure that the heat sensors and electronic components are properly functioning for compressors to achieve variable compression linked to heat levels for reduction in power consumption.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by your Exchange was within the permissible limits prescribed by CPCB/SPCB for F.Y. 2016-17.

7. Number of show cause/legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no show cause/legal notices received from CPCB/SPCB which were pending as on March 31, 2017.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Your Exchange is a member of the following trade and chamber or association:

a. International Organization of Securities Commissions

b. Futures Industry Association

c. World Federation of Exchanges

d. Associated Chambers of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company has advocated/lobbied through above associations for Economic Reforms.

The Company engages with industry associations for advocating desired policy changes in the commodity market space with the objective of deepening the market through tax reforms, as well as, with the introduction of a broad-based suite of products and participant groups, many of which are currently not allowed in the commodity derivatives market.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Your Exchange focusses mainly on community-centric interventions and the thrust areas for such interventions are sustainable livelihood and empowerment – especially watershed programs, skill development and employability training, education and healthcare.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programmes/projects are undertaken through in-house team for the empowerment of farmers. Your Exchange also collaborates with external NGOs, and other organizations in the thematic areas of livelihoods, education, training, rehabilitation etc. Your Exchange also endeavours to encourage employee engagement in CSR related activities.

3. Have you done any impact assessment of your initiative?

Yes. For reviewing the economic, environment and social aspect of various initiatives, your Exchange has conducted an impact analysis of the efforts indicated by it through an independent outside agency for GSK and going forward we intend to continue the same practice.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Through various programs, your Exchange contributes to community development projects by enhancing livelihood opportunities through skill development and empowerment of women and of disabled persons, supporting and implementing the Gramin Suvidha Kendra and watershed program which adds to economic well-being by progressively empowering farmers and communities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Adequate measures are taken to ensure that the community development initiative is successfully adopted and are beneficial to the community, the major emphasis being on community development, empowerment, livelihood opportunities and skill development. For instance, the water shed programs of water harvesting and conservation has empowered the community by not only providing water for irrigation purpose but also providing employment opportunities. Through the Gramin Suvidha Kendra programme, we have undertaken different programs to enhance the financial powers of the farmers through kitchen gardening, exposure visit, expert advisory etc. Our wadi programmes are directed for women empowerment. We further support the community by encouraging them to undertake soil testing, System of Rice Intensification (SRI) and Front Line Demonstration (FLD) to enhance productivity.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

There were 1.82% investor (client) grievances and 2.66% arbitration references pending for redressal and disposal respectively as on March 31, 2017. Further, there were no pending shareholder complaints/Members complaints under Customer Service & Quality as at March 31, 2017.

Further, there are 12 (6.06%) consumer complaints pending against the Exchange out of total 198 pending litigations as on March 31, 2017.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

MCX is not a manufacturing company and hence this question is not applicable. However, the details of products traded on MCX are published on the website.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No stakeholder has filed any compliant against MCX which relates to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

Your Exchange believes that stakeholder engagement is necessary at every stage and constantly strives to reach out and capture the interactions in a structured manner from its key stakeholders including members, physical market participants, employees, investors, farmers, industry associations and vendors etc.

Members & Industry association's feedback

Advisory committee (comprising of Members) is formed and regular meetings are held to gather market participants' feedback on non-regulatory and operational matters including product design, technology, charges and levies etc.

Further, the Exchange through its Customer Support and Quality Department (CSQ) conducts an Online Annual Feedback survey from its members, encompassing service standards of the various departments of the Exchange. With this feedback mechanism, Customer Satisfaction Index is derived, both at an overall Exchange level along with Department(s) Index. Based on the concerns, queries and feedback, CSQ seeks an Action Taken Report for closure of queries and feedback survey and also periodically monitors trends for various queries and concerns raised by the members. The same are shared with the senior management team and are incorporated in FAQs which are updated on the Exchange's website, as and when required.

In order to recognize the performance of commodity market stakeholder and to honour excellence in the commodity derivatives market, your Exchange hosted its **first 'MCX Awards'** on May 05, 2017. A total of 26 awards were given under six different categories viz. Commodity Broker of the Year, Regional Broker of The Year, Fastest Growing Broker of The Year, among others, to the participants. Going forward, the Exchange plans to host the awards annually.

Physical market participants, Investors & Farmers feedback

With regard to product designing, an initial assessment involves several stakeholders in the value chain of the commodity. Farmers' and traders' associations of the respective commodity, traders, brokers and other stakeholders are approached to understand the market and requirements. A draft contract is designed based on this for soliciting feedback from a larger section of stakeholders. This draft contract specification is shared with them for their feedback on the contract parameters. Based on the comments/inputs, the contract specification undergoes revisions to suit stakeholder requirements. Thereafter, an application seeking regulatory permission to launch the contract is sent to SEBI.

Employees feedback

The Company constantly engages with the employees through various interactive activities seeking views on matters related to understanding what is important to them at their workplace, what their concerns are, surveys on the expected Insurance Coverage etc. and conducting quarterly Town hall.

The Company solicits proactive feedback relating to the training sessions conducted and also has a dedicated email id townhallfeedback@mcxindia.com to enable the employees to provide their feedback/send their suggestions.

Further, on the basis of the feedback received, the Company introduced flexi timing, variable component in the salary structures covering all employees, improved its appraisal process by expediting the same in a time bound manner, constituted Food Committee to primarily deal with engagement of cafeteria services, food quality and hygiene, food themes and payment mechanism and People Committee to deal with and recommend staff welfare related activities like employee get-togethers, Festive celebrations, sports and cultural activities, leisure & stress management initiatives, health management programmes etc.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MULTI COMMODITY EXCHANGE OF INDIA LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (herein after referred to as 'the Act') with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at March 31, 2017 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and operative effectiveness of such controls, refer to our separate report in **"Annexure B"**; Our report expresses an unmodified opinion on adequacy and operative effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts on which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. As mentioned in note 41 of the Standalone Ind AS financial statements, the disclosure requirement in respect of Specified bank notes as envisaged in notification G.S.R 308 (E) dated March 30, 2017 is not applicable to the Company.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Place : Mumbai
Date : May 04, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year by the Management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds, of immovable properties are held in the name of the Company as at the balance sheet date.

ii. Since the Company does not have inventory, the Clause 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given by the Management, the Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub-clause (a), (b) & (c) are not applicable to the Company.

iv. According to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income-Tax, Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues which were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of Sales Tax, Value Added Tax, Duty of Customs, Duty of Excise, Service Tax and Cess which have not been deposited on account of any dispute.

However, according to information and explanations given to us, the following dues of Income Tax and U.P. Transaction Tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Trade Tax Act, 1948	Penalty	1014.97	For the years 2005-2006 to 2007–2008	Deputy Commissioner of Commercial Tax
Income Tax Act, 1961	Tax	2167.77	AY 2013-2014	CIT (Appeals)

viii. According to the information and explanations give to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly clause 3(vii) of the order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employee has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable. Accordingly clause 3(xv) of the Order is not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Place : Mumbai

Date : May 04, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Place : Mumbai
Date : May 04, 2017

Standalone Balance Sheet as at March 31, 2017

₹ in Lakhs

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	2A	14,007.77	12,167.47	11,408.35
(b) Capital work in progress	2B	24.34	40.06	–
(c) Intangible assets	3A	1,170.31	1,531.02	2,873.45
(d) Intangible assets under development	3B	12.05	272.47	228.45
(e) Financial assets				
(i) Investments	4	44,041.84	25,449.24	2,752.94
(ii) Other financial assets	5	213.07	295.01	644.42
(f) Deferred tax assets (net)	34	–	457.79	–
(g) Other non-current assets	6	1,154.13	1,156.02	1,974.42
(h) Income tax assets (net)	7	2,558.56	1,645.84	1,201.09
Total non-current assets		**63,182.07**	**43,014.92**	**21,083.12**
(2) Current assets				
(a) Financial assets				
(i) Investments	8	75,437.59	85,645.89	129,341.64
(ii) Trade receivables	9	281.34	419.13	1,065.43
(iii) Cash and cash equivalents	10	403.97	2,073.56	3,498.23
(iv) Bank balances other than cash and cash equivalents	11	38,492.62	47,953.64	23,053.71
(v) Loans	12	34.86	33.38	27.55
(vi) Others	13	300.00	300.00	300.00
(b) Other current assets	14	8,445.71	6,383.90	6,886.19
Total current assets		**123,396.09**	**142,809.50**	**164,172.75**
Total Assets		**186,578.16**	**185,824.42**	**185,255.87**
Equity and Liabilities				
(1) Equity				
(a) Equity share capital	15	5,099.84	5,099.84	5,099.84
(b) Other equity	16	130,777.37	123,875.98	123,195.13
Total equity		**135,877.21**	**128,975.82**	**128,294.97**
(2) Settlement guarantee fund	17	17,049.46	18,823.67	18,747.84
(3) Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	18	3,312.53	2,037.87	2,249.20
(b) Provisions	19	142.43	123.55	101.16
(c) Deferred tax liabilities (net)	34	749.01	–	1,875.70
Total non-current liabilities		**4,203.97**	**2,161.42**	**4,226.06**
(4) Current liabilities				
(a) Financial liabilities				
(i) Trade payables		3,007.60	1,878.93	950.38
(ii) Other financial liabilities	20	21,482.39	25,967.30	25,390.62
(b) Other current liabilities	21	4,364.59	7,409.01	6,529.20
(c) Current provisions	22	227.12	119.19	108.18
(d) Income tax liabilities (net)	23	365.82	489.08	1,008.62
Total current liabilities		**29,447.52**	**35,863.51**	**33,987.00**
Total liabilities		**50,700.95**	**56,848.60**	**56,960.90**
Total Equity and Liabilities		**186,578.16**	**185,824.42**	**185,255.87**
Significant accounting policies, key accounting estimates and judgements	1			

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended March 31, 2017

₹ in Lakhs, except EPS

	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	**Income**			
	Revenue from operations	24	25,943.93	23,492.76
	Other income	25	11,642.58	11,647.66
	Total Income		**37,586.51**	**35,140.42**
II	**Expenses**			
	Employee benefits expense	26	6,441.85	4,192.81
	Finance costs	27	19.68	30.01
	Depreciation and amortization expense	2A, 3A	1,857.30	2,458.64
	Other expenses	28	11,525.25	11,772.53
	Total expenses		**19,844.08**	**18,453.99**
III	Profit before exceptional items and tax		17,742.43	16,686.43
IV	Exceptional items	42	–	563.10
V	**Profit before tax**		**17,742.43**	**16,123.33**
VI	**Tax expenses**			
	(1) Current tax	34	(4,078.77)	(4,607.51)
	(2) Deferred tax	34	(1,036.52)	(138.20)
VII	**Profit for the year**		**12,627.14**	**11,377.62**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss (net of tax)			
	(i) Changes in fair value of Equity instruments		(1,789.76)	(4,652.85)
	(ii) Remeasurement of Employee benefits obligations		(61.89)	(17.22)
IX	**Total comprehensive income for the year**		**10,775.49**	**6,707.55**
X	**Earnings per equity share** (of ₹10/- each)			
	(1) Basic	33	24.84	22.39
	(2) Diluted	33	24.83	22.38
	Significant accounting policies, key accounting estimates and judgements	1		

The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Statement of Changes in Equity for the year ended March 31, 2017

₹ in Lakhs

Particulars	Equity Share Capital (A)	Other Equity					Total Other Equity (B)
		Reserves and Surplus				Other Comprehensive Income	
		Securities Premium Reserve	Retained Earnings	ESOP Compensation Reserve	General Reserve	Equity Instruments through Other Comprehensive Income	
As at April 01, 2015	**5,099.84**	**21,684.17**	**83,901.25**	**119.75**	**16,449.39**	**1,040.57**	**123,195.13**
Profit for the year			11,377.62				11,377.62
Dividend			(5,099.84)				(5,099.84)
Dividend distribution tax			(1,038.21)				(1,038.21)
Equity instruments through other comprehensive income						(4,652.85)	(4,652.85)
Reclassified to retained earning on disposal			(881.69)			881.69	–
ESOP Compensation Reserve				163.73			163.73
Re-measurement of employee benefits obligation and others			(69.60)				(69.60)
As at March 31, 2016	**5,099.84**	**21,684.17**	**88,189.53**	**283.48**	**16,449.39**	**(2,730.59)**	**123,875.98**
Profit for the year			12,627.15				12,627.15
Dividend			(3,314.89)				(3,314.89)
Dividend distribution tax			(674.85)				(674.85)
Equity instruments through other comprehensive income						(1,789.76)	(1,789.76)
Reclassified to retained earning on disposal			(1,095.20)			1,095.20	–
ESOP Compensation Reserve				115.63			115.63
Re-measurement of employee benefits obligation and others			(61.89)				(61.89)
As at March 31 2017	**5,099.84**	**21,684.17**	**95,669.85**	**399.11**	**16,449.39**	**(3,425.15)**	**130,777.37**

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2017

₹in Lakhs

	Particulars	For the year ended			
		March 31, 2017		March 31, 2016	
A	**Cash flow from operating activities**				
	Profit before exceptional items and tax		**17,742.43**		**16,686.43**
	Adjustments for:				
	Depreciation and amortisation expense	1,857.30		2,458.64	
	Finance costs	19.68		30.01	
	Dividend income	(1,628.11)		(1,512.28)	
	Net gain on sale of investments	(494.09)		(4,510.23)	
	Gain / (loss) on fair valuation of investments	(3,637.37)		(1,873.46)	
	Provision for doubtful advances provided / (written back)	56.00		28.57	
	Provision for doubtful trade receivables	19.88		254.58	
	Provisions no longer required written back	(178.57)		(167.72)	
	Loss on Winding up of Subsidiary	–		0.27	
	Loss on fixed assets sold / scrapped	(0.34)		4.37	
	Interest income	(5,055.91)		(3,368.32)	
	Shared based payment	17.28		137.07	
	Bad debts	45.15		14.30	
	Remeasurement of Employee benefit	94.65		26.33	
			(8,884.45)		**(8,477.87)**
	Operating profit before working capital changes		**8,857.98**		**8,208.55**
	Changes in working capital				
	Adjustments for (increase) / decrease in operating assets				
	Non-current assets				
	Other financial assets	81.94		349.41	
	Other non-current assets	1.89		818.40	
	Current assets				
	Trade receivables	61.91		363.00	
	Loans	(1.48)		(5.83)	
	Other current assets	46.56		1,794.32	
	Adjustment for increase in Settlement Guarantee Fund (SGF)	(1,774.21)		75.83	
	Adjustments for increase / (decrease) in operating liabilities				
	Non-current liabilities				
	Other financial liabilities	1,274.66		(158.11)	
	Provisions	18.88		22.39	
	Current liabilities				
	Trade payables	1,128.67		928.55	
	Other financial liabilities	(4,484.91)		576.68	
	Other current liabilities	(3,421.04)		922.25	
	Provisions	107.93		11.01	
	Less: Exceptional Items	–		(563.10)	
			(6,959.19)		**5,134.80**
	Cash generated from operating activities		**1,898.79**		**13,343.35**
	Net income tax paid (net of refunds)		(5,091.00)		(5,571.70)
	Net cash (used) / from operating activities		**(3,192.21)**		**7,771.65**

Cash Flow Statement for the year ended March 31, 2017 (Contd...)

₹ in Lakhs

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
B	**Cash flow from investing activities**		
	Capital expenditure on fixed assets including capital advances	(2,689.87)	(2,022.70)
	Proceeds from sale of fixed assets	3.85	3.76
	Purchase of long-term investments-others	(17,553.93)	(20,982.63)
	Proceeds from winding of subsidiary	–	3.73
	Current investments	11,714.05	41,242.20
	Other Bank balances	9,462.62	(24,887.35)
	Dividend received	1,628.11	1,512.28
	Interest received	2,947.54	2,076.29
	Net cash flow from investing activities	**5,512.37**	**(3,054.42)**
C	**Cash flow from financing activities**		
	Dividend paid (including tax thereon)	(3,989.74)	(6,138.10)
	Finance costs	–	(3.80)
	Net cash flow used in financing activities	**(3,989.74)**	**(6,141.90)**
	Net increase / (decrease) in cash and cash equivalents	(1,669.59)	(1,424.67)
	Cash and cash equivalents at the beginning of the year	2,073.56	3,498.23
	Cash and cash equivalents at the end of the year (Refer Note 10)	**403.97**	**2,073.56**

Note to Cash Flow Statement:

1 The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Notes forming part of the financial statements

COMPANY OVERVIEW

Multi Commodity Exchange of India Limited (the "Company" or the "Exchange") is a deemed Stock Exchange recognised under the Securities Contracts (Regulation) Act, 1956. The Company is a demutualised Exchange and has permanent recognition from the Government of India to facilitate nationwide online trading, clearing and settlement operations of commodity derivatives.

The Company is a public limited company incorporated and domiciled in India and has its registered office at 'Exchange Square', Suren Road, Chakala, Andheri (East), Mumbai 400093, India. Its shares are listed on the BSE Limited. Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref No. 202/201 dated March 7, 2012 notified that with effect from March 09, 2012 the Company's equity shares were permitted to be traded and admitted to dealings on NSE.

1. SIGNIFICANT ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1.1 Basis of Preparation of Financial Statements

These financial statements has been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all previous periods including the year ended March 31, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India. The Company has adopted Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition (date of transition being April 01, 2015) was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Figures of the financial year ended on March 31, 2016 have been restated as per Ind AS requirement of Ind AS 1 "Presentation of Financial Statement".

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

1.2 Significant Accounting Policies

A. Property, plant and equipment

Property, plant and equipment are stated at original cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Property, plant and equipment (tangible) are depreciated / amortized over their useful lives as specified in "Part C" of Schedule II of the Companies Act, 2013.

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated range of useful lives of property, plant and equipment are as follows:

Asset Class	Useful Life
Buildings	60 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end.

Cost of assets not ready for intended use as on Balance Sheet date are disclosed under 'Capital work-in-progress'. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed under 'Other Non-Current Assets'.

B. Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed at each financial year end.

At each balance sheet date consideration is given to determine whether there is any indication of impairment of the carrying amounts of the company's intangible assets. If indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized in the Statement of Profit and Loss Account whenever the carrying amount of an asset exceeds its recoverable amount.

C. Impairment of non-financial assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired, if such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

D. Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks, cheque on hand, short-term deposits with a maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

E. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

F. Operating Leases

Assets given / taken on lease in which a significant portion of the risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Lease payment / Income made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the Payments / Receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

G. Fair Value Measurement

The company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

H. Financial Instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets:

Initial recognition and measurement:

The company measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the techniques defined in Level 1 of fair value hierarchy of Ind-AS 113 "Fair Value Measurement" and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in Level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. **Financial assets measured at amortized cost:**

A financial asset is measured at the amortized cost if both the following conditions are met:

(a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. **Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

(a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Investments in Equity and Convertible Warrants. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. **Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

De-recognition

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
  - (a) The company has transferred substantially all the risks and rewards of the asset, or
  - (b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

  On De-recognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measure at fair value through profit and loss (FVTPL)

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

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(b) Financial Liabilities:

Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at Fair value.

Subsequent measurement

All non-current financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

I. Revenue Recognition

Revenue is recognised on accrual basis and when no significant uncertainty as to measurement and realisation exists.

(a) Volume based transaction fees are accrued when orders placed by members on the network are matched and confirmed.

(b) Admission Fees (non refundable) collected from new members for joining the Exchange are recognized once the membership is approved.

(c) Annual subscription fees from members are recognized on accrual basis.

(d) Revenue from terminal charges is accrued on activation of new chargeable user.

(e) Connectivity income is accrued over the expected period of providing connectivity service.

(f) Dividend income is recognised when the Company's right to receive dividend is established.

(g) Interest income is recognized on accrual basis.

J. Foreign currency translation

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

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

K. Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

L. Employee Benefits Expenses

(a) Post-employment benefits and other long term benefits

Payments to defined contribution schemes are recognized as an expense when employees have rendered the service entitling them to the contribution. The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The company recognizes re-measurement gains and losses arising on defined benefit gratuity plans in Other Comprehensive Income (OCI) as they will never be reclassified into profit or loss, they are immediately recorded in retained earnings.

(b) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

(c) Stock based compensation

The company recognizes compensation expense relating to share-based payment in net profit using fair value in accordance with Ind AS 102 "Share-Based Payment". The company has chosen to recognize the credit in ESOP Compensation Reserve.

M. Taxes on Income (Current and Deferred)

Income tax expense comprises current and deferred income tax. Current income tax for taxable profit before tax as reported in the Statement of Profit and Loss for the periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

N. Provisions, Contingent liabilities, Contingent assets and Commitments

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events, when the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

<u>Onerous contracts</u>

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the company recognizes impairment on the assets with the contract.

O. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

P. Earnings per share

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

Q. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off up to two decimal points in lakhs as per the requirement of Schedule III, unless otherwise stated.

R. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.3 Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the company's financial statements is disclosed below. The company intends to adopt this standard when it becomes effective.

Amendment to Ind AS 7 – Statement of Cash flows

The amendment to Ind AS 7, requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 102 – Share-based Payment

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and its impact on the financial statements.

1.4 Key accounting estimates and Judgments

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

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Impairment of financial assets

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

2A. PROPERTY, PLANT AND EQUIPMENT

₹in Lakhs

Particulars	Land-Freehold	Buildings	Office Equipment (Including Computer Hardware) (Refer Note below)	Net-working Equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
Deemed cost as at April 01, 2015	**5,060.52**	**4,961.56**	**1,083.07**	**47.18**	**208.87**	**47.15**	**11,408.35**
Additions	–	–	1,687.14	3.49	0.65	–	1,691.28
Disposals	–	–	0.14	2.67	–	7.19	10.00
Balance as at March 31, 2016	**5,060.52**	**4,961.56**	**2,770.07**	**48.00**	**209.52**	**39.96**	**13,089.63**
Additions	–	1,306.28	1,010.56	1.72	358.95	39.38	2,716.89
Disposals	–	–	5.41	2.26	–	3.20	10.87
Balance as at March 31, 2017	**5,060.52**	**6,267.84**	**3,775.22**	**47.46**	**568.47**	**76.14**	**15,795.65**
Accumulated Depreciation							
Balance as at April 01, 2015	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Additions	–	93.02	740.96	18.20	61.19	10.60	923.97
Disposals	–	–	0.00*	0.61	–	1.20	1.81
Balance as at March 31, 2016	**–**	**93.02**	**740.96**	**17.59**	**61.19**	**9.40**	**922.16**
Additions	–	102.51	658.13	12.59	67.04	34.19	874.46
Disposals	–	–	5.41	1.01	–	2.32	8.74
Balance as at March 31, 2017	**–**	**195.53**	**1,393.68**	**29.17**	**128.23**	**41.27**	**1,787.88**
Net carrying amount							
Balance as at April 01, 2015	**5,060.52**	**4,961.56**	**1,083.07**	**47.18**	**208.87**	**47.15**	**11,408.35**
Balance as at March 31, 2016	**5,060.52**	**4,868.53**	**2,029.11**	**30.40**	**148.34**	**30.57**	**12,167.47**
Balance as at March 31, 2017	**5,060.52**	**6,072.30**	**2,381.54**	**18.29**	**440.25**	**34.87**	**14,007.77**

* represents 0.0044 lakhs

The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

2B. CAPITAL WORK IN PROGRESS

₹in Lakhs

April 01, 2015	**–**
March 31, 2016	**40.06**
March 31, 2017	**24.34**

3A. INTANGIBLE ASSETS

₹in Lakhs

Particulars	Computer Software (Refer Note below)	Trademark and Copyright	Total
Gross carrying amount			
Deemed cost as at April 01, 2015	**2,873.35**	**0.10**	**2,873.45**
Additions	192.25	–	192.25
Disposals	–	–	–
Balance as at March 31, 2016	**3,065.60**	**0.10**	**3,065.70**
Additions	624.13	–	624.13
Disposals	2.62	–	2.62
Balance as at March 31, 2017	**3,687.11**	**0.10**	**3,687.21**
Accumulated Amortisation			
Balance as at April 01, 2015	–	–	–
Additions	1,534.58	0.10	1,534.68
Disposals	–	–	–
Balance as at March 31, 2016	**1,534.58**	**0.10**	**1,534.68**
Additions	982.84	–	982.84
Disposals	0.62	–	0.62
Balance as at March 31, 2017	**2,516.80**	**0.10**	**2,516.90**
Net carrying amount			
Balance as at April 01, 2015	**2,873.35**	**0.10**	**2,873.45**
Balance as at March 31, 2016	**1,531.02**	–	**1,531.02**
Balance as at March 31, 2017	**1,170.31**	–	**1,170.31**

The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

3B. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹in Lakhs

April 01, 2015	**228.45**
March 31, 2016	**272.47**
March 31, 2017	**12.05**

Note: The office equipment and computer software include assets under the Price Dissemination Project as follows:

₹in Lakhs

Particulars	Office Equipments (Tangible)	Computer Software (Intangible)	Total
Gross carrying amount			
Deemed cost as at April 01, 2015	**7.52**	**0.39**	**7.91**
Additions	–	–	–
Deletions	–	–	–
Balance as at March 31, 2016	**7.52**	**0.39**	**7.91**
Additions	–	–	–
Deletions	–	–	–
Balance as at March 31, 2017	**7.52**	**0.39**	**7.91**
Accumulated depreciation/amortisation			
Balance as at April 01, 2015	–	–	–
Additions	6.87	0.29	7.16
Deletions	–	–	–
Balance as at March 31, 2016	**6.87**	**0.29**	**7.16**
Additions	0.65	0.10	0.75
Deletions	–	–	–
Balance as at March 31, 2017	**7.52**	**0.39**	**7.91**
Net carrying amount			
Balance as at April 01, 2015	**7.52**	**0.39**	**7.91**
Balance as at March 31, 2016	**0.65**	**0.10**	**0.75**
Balance as at March 31, 2017	–	–	–

Notes forming part of the financial statements (Contd...)

4. NON-CURRENT INVESTMENTS

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A. Investment in equity instruments:			
(i) of subsidiary – FVTOCI			
6,000,000 (as at 31 March 2016: 6,000,000 & as at 01 April 2015: 6,000,000) shares of ₹10/- each fully paid-up in Multi Commodity Exchange Clearing Corporation Limited	458.40	451.20	600.00
(ii) of other entities – FVTOCI			
500 (as at 31 March 2016: 500 & as at 01 April 2015: 500) Class B Shares of USD 1,000 each fully paid-up in Dubai Gold and Commodities Exchange DMCC	486.49	1,206.38	1,569.89
	944.89	**1,657.58**	**2,169.89**
B. Investment in mutual funds – FVTPL:			
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 5,000,000) Units of ₹10/- each in DSP BlackRock FMP Series 104 12 M Direct Growth	–	–	583.05
5,000,000 (as at 31 March 2016: 5,000,000 & as at 01 April 2015: NIL) Units of ₹10/- each in Reliance Interval Fund - IV - Series 3 - Direct Growth	579.35	529.76	–
5,000,000 (as at 31 March 2016: 5,000,000 & as at 01 April 2015: NIL) Units of ₹10/- each in SBI Debt Fund Series - B - 29 (1200 days) - Direct Growth	560.49	511.75	–
5,000,000 (as at 31 March 2016: 5,000,000 & as at 01 April 2015: NIL) Units of ₹10/- each in UTI Fixed Term Income Fund Series XXIII - XI (1100 days) - Direct Growth	561.01	511.51	–
10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Pru FMP Series 80 Growth Plan G - Direct Growth	1,003.46	–	–
10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Pru FMP Series 80 plan J -Direct Growth	1,008.09	–	–
6,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in Birla Sun Life FMP Series OG 1146 days - Direct Growth	602.92	–	–
5,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in Birla Sun Life FMP Series OI- Direct Growth	502.95	–	–
10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in DSP Blackrock FMP Series 204 37M - Direct Growth	1,006.84	–	–
10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in Kotak FMP Series 200 - 1158 days - Direct Growth	1,006.23	–	–
6,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in Reliance FHF XXXIII Series 1 FMP - Direct Growth	604.53	–	–
5,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in Reliance FHF XXXIII Series 4 FMP - Direct Growth	503.17	–	–
5,000,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in UTI FFTIF Series XXVI - VI - Direct Growth	502.73	–	–
	8,441.77	**1,553.02**	**583.05**

₹in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
C. Investment in Tax Free Bonds - FVTPL			
400 (as at 31 March 2016: 400 & as at 01 April 2015: NIL) Units of ₹10,00,000/- each in 7.19% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 31 July 2025)	4,739.72	4,025.66	–
500 (as at 31 March 2016: 500 & as at 01 April 2015: NIL) Units of ₹10,00,000/- each in 7.11% National Highway Authority of India Tax free bonds (Maturity Date 18 September 2025)	5,921.52	5,776.53	–
440 (as at 31 March 2016: 300 & as at 01 April 2015: NIL) Units of ₹10,00,000/- each in 7.07% Housing and Urban Development Corporation Ltd. Tax free bonds (Maturity Date 01 October 2025)	5,138.60	3,006.63	–
62,457 (as at 31 March 2016: 62,457 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.11% NTPC Ltd. Tax free bonds (Maturity Date 05 October 2025)	739.65	723.33	–
25,670 (as at 31 March 2016: 25,670 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.11% Power Housing Finance Corporation Ltd. Tax free bonds (Maturity Date 17 October 2025)	304.49	297.75	–
114,504 (as at 31 March 2016: 114,504 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.09% Rural Electrification Corporation Ltd. Tax free bonds (Maturity Date 05 November 2030)	1,405.38	1,386.24	–
105,700 (as at 31 March 2016: 105,700 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.28% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 21 December 2030)	1,145.47	1,283.36	–
192,849 (as at 31 March 2016: 142,849 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.35% National Highway Authority of India Tax free bonds (Maturity Date 11 January 2031)	1,950.55	1,714.22	–
136,241 (as at 31 March 2016: 136,241 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.49% Indian Renewable Energy Development Agency Ltd. Tax free bonds (Maturity Date 21 January 2031)	1,702.09	1,655.12	–
28,028 (as at 31 March 2016: 28,028 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.39% Housing and Urban Development Corporation Ltd. Tax free bonds (Maturity Date 08 February 2031)	346.00	344.45	–
16,189 (as at 31 March 2016: 16,189 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.39% National Highway Authority of India Tax free bonds (Maturity Date 09 March 2031)	205.19	203.06	–
163,244 (as at 31 March 2016: 63,244 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.39% Housing and Urban Development Corporation Ltd. Tax free bonds (Maturity Date 15 March 2031)	2,016.40	771.17	–
178,216 (as at 31 March 2016: 28,216 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.35% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 22 March 2031)	1,963.66	286.81	–
535,149 (as at 31 March 2016: 75,149 & as at 01 April 2015: NIL) Units of ₹1,000/- each in 7.35% National Bank For Agriculture And Rural Development Tax free bonds (Maturity Date 23 March 2031)	5,915.54	764.31	–

Notes forming part of the financial statements (Contd...)

₹in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
C. Investment in Tax Free Bonds - FVTPL (Contd.)			
50 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹1000,000/- each in 7.38% India Infrastructure Finance Company Ltd. Tax free bonds (Maturity Date 15 Nov 2027)	596.06	–	–
50,000 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹1,000/- each in 8.20% Housing And Urban Development Corporation Ltd. Tax free bonds (Maturity Date 05 March 2027)	564.85	–	–
	34,655.18	**22,238.64**	–
Total	**44,041.84**	**25,449.24**	**2,752.94**
Aggregate amount of listed and quoted investments at fair value	34,655.18	22,238.64	–
Aggregate amount of listed and quoted investments at cost	30,835.80	19,982.47	–
Aggregate amount of listed but not quoted investments at fair value	8,441.77	1,553.02	583.05
Aggregate amount of listed but not quoted investments at cost	8,200.00	1,500.00	500.00
Aggregate amount of unquoted investments at fair value	944.89	1,657.58	2,169.89
Aggregate amount of unquoted investments at cost	818.50	818.50	818.50
5. NON-CURRENT OTHER FINANCIAL ASSETS			
Unsecured, considered good:			
Capital advances	4.96	6.35	6.01
Security deposits	133.94	86.82	75.62
Prepaid expenses	74.17	201.84	562.79
Total	**213.07**	**295.01**	**644.42**
6. OTHER NON-CURRENT ASSETS			
Balance with government authorities	288.73	288.73	288.73
Advances for supply of services	865.40	867.29	1,685.69
Total	**1,154.13**	**1,156.02**	**1,974.42**
7. INCOME TAX ASSETS (NET)			
Advance income tax [net of provisions ₹67,020.39 lakhs (as at 31 March 2016 ₹62,254.44 lakhs & as at 01 April 2015 ₹57,178.54 lakhs)]	2,558.56	1,645.84	1,201.09
Total	**2,558.56**	**1,645.84**	**1,201.09**

8. CURRENT INVESTMENT

₹in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A. Investment in equity instruments			
(i) of Subsidiary – FVTOCI			
Nil (as at 31 March 2016: Nil & as at 01 April 2015: 51,000) shares of ₹10/- each fully paid-up in SME Exchange of India Limited	–	–	4.00
(ii) of Associate–FVTOCI			
Nil (as at 31 March 2016: Nil & as at 01 April 2015: 6,500,000) shares of ₹10/- each fully paid-up in Metropolitan Clearing Corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	–	–	650.00
(iii) of Other Entities–FVTOCI			
6,500,000 (as at 31 March 2016: 6,500,000 & as at 01 April 2015: Nil) shares of ₹10/- each fully paid-up in Metropolitan Clearing Corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	312.00	291.20	–
331,777,008 (as at 31 March 2016: 66,599,408 & as at 01 April 2015: 48,211,514) shares of ₹1/- each fully paid-up in Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited)	2,189.73	432.90	697.60
	2,501.73	**724.10**	**1,351.60**
B. Investment in warrants of other company–FVTOCI			
Nil (as at 31 March 2016: 415,917,672 & as at 01 April 2015: 582,583,504) warrants of ₹1/- each fully paid-up in Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited)	–	4,159.18	11,791.34
	–	**4,159.18**	**11,791.34**
C. Investment in mutual funds–FVTPL			
Nil (as at 31 March 2016: NIL & as at 01 April 2015: 5,000,000) Units of ₹10/- each in JPMorgan India Fixed Maturity Plan Series 302 Growth	–	–	612.68
NIL (as at 31 March 2016: 5,000,000 & as at 01 April 2015: NIL) Units of ₹10/- each in DSP BlackRock FMP Series 104 12 M Direct Growth	–	632.34	–
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 14,194,421.776) Units of ₹10/- each in Axis Short Term Fund Direct Plan Growth	–	–	2,184.62
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 150,253.333) Units of ₹1000/- each in Axis Banking Debt Fund Direct Weekly Dividend	–	–	1,513.14
NIL (as at 31 March 2016: 659,944.777 & as at 01 April 2015: NIL) Units of ₹1000/- each in Axis Liquid Fund Direct Plan Daily Dividend	–	6,603.68	–
NIL (as at 31 March 2016: 60,827.421 & as at 01 April 2015: NIL) Units of ₹1000/- each in Axis Treasury Advantage Fund Direct Growth	–	1,037.49	–
6,340,438.53 (as at 31 March 2016: 1,107,169.68 & as at 01 April 2015: 1,597,594.428) Units of ₹100/- each in Birla Sun Life Cash Plus–Daily Dividend–Direct Plan	6,352.80	1,109.33	1,600.71

Notes forming part of the financial statements (Contd...)

₹in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 4,416,889.070) Units of ₹10/- each in Birla Sun Life Short Term Fund Growth–Direct Plan	–	–	2,316.61
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 2,316,174.832) Units of ₹100/- each in Birla Sun Life Savings Fund Daily Dividend Direct Plan*	–	–	2,323.06
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 720,694.661) Units of ₹100/- each in Birla Sun Life Treasury Optimizer Monthly Dividend Direct Plan*	–	–	755.96
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 2,456,163.082) Units of ₹10/- each in Birla Sun Life Govt. Securities Long Term Growth Direct Plan	–	–	1,031.27
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 4,342,011.567) Units of ₹10/- each in Birla Sun Life Dynamic Bond Fund Dir Growth	–	–	1,071.07
1,754,457.432 (as at 31 March 2016: 1,754,457.432 & as at 01 April 2015: NIL) Units of ₹10/- each in Birla Sun Life Income Plus Dir Growth	1,325.32	1,184.46	–
Nil (as at 31 March 2016 Nil & as at 01 April 2015: 110,021.774) Units of ₹1000/- each in DSP BlackRock Liquidity Fund Direct Plan Daily Dividend	–	–	1,100.88
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 4,446,716.386) Units of ₹10/- each in DSP BlackRock Short Term Fund Direct Plan Growth	–	–	1,073.26
Nil (as at 31 March 2016 Nil & as at 01 April 2015: 139,861.803) Units of ₹1000/- each in DSP BlackRock Money Manager Fund Direct Plan Growth	–	–	2,672.35
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 20,572,122.845) Units of ₹10/- each in DWS Ultra Short Term Fund Direct Plan–Daily Dividend Reinvestment*	–	–	2,060.89
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 13,437,373.188) Units of ₹10/- each in HDFC Floating Rate Income Fund Short Term Plan Direct Plan WP Growth	–	–	3,222.93
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 6,977,206.782) Units of ₹10/- each in HDFC Short Term Opportunities Fund Direct Plan Growth	–	–	1,066.19
8,501,232.68 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in HDFC Arbitrage Fund WP Dir Growth	1,054.83	–	–
3,351,468.50 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in HDFC Medium Term Opportunities Fund Direct Plan Growth	609.21	–	–
10,463,703.993 (as at 31 March 2016: 10,463,703.993 & as at 01 April 2015: 3,585,848.806) Units of ₹10/- each in HDFC Gilt Fund Long Term Plan Direct Growth	3,590.78	3,205.44	1,027.22
2,121,553.98 (as at 31 March 2016: 2,121,553.98 & as at 01 April 2015: 2,121,547.711) Units of ₹10/- each in HDFC High Interest Fund Dynamic Plan Direct Growth	1,243.10	1,111.71	1,041.85
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 7,457,475.666) Units of ₹10/- each in HDFC High Interest Fund Short Term Plan Direct Growth	–	–	2,079.38
444,617.77 (as at 31 March 2016: 784,227.49 & as at 01 April 2015: NIL) Units of ₹10/- each in HDFC Liquid Fund Direct Daily Dividend Reinvestment*	4,534.30	7,997.71	–

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
50,731.85 (as at 31 March 2016: 48,371.875 & as at 01 April 2015: NIL) Units of ₹1000/- each in HDFC Liquid Fund Direct Weekly Dividend Reinvestment	523.50	499.43	–
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 10,658,933.034) Units of ₹10/- each in ICICI Prudential Banking & PSU Debt Fund Direct Plan Weekly Dividend*	–	–	1,108.73
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 2,441,358.567) Units of ₹10/- each in ICICI Prudential Blended Plan A Direct Growth	–	–	525.44
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 12,995,730.494) Units of ₹10/- each in ICICI Prudential Dynamic Bond Fund Direct Plan Growth	–	–	2,060.59
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 22,555,112.572) Units of ₹10/- each in ICICI Prudential Short Term Direct Plan Monthly Dividend*	–	–	2,760.52
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 14,924,108.076) Units of ₹10/- each in ICICI Prudential Ultra Short Term Fund Dir Growth	–	–	2,136.36
25,986,964.67 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Prudential Income Opportunity Fund Dir Gr	6,061.77	–	–
2,639,455.639 (as at 31 March 2016: 2,639,455.639 & as at 01 April 2015: 2,639,455.639) Units of ₹10/- each in ICICI Prudential Equity Arbitrage Fund Direct Plan Growth	587.16	547.90	510.75
2,615,792.41 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Prudential Short Term Direct Growth	916.33	–	–
2,262,853.75 (as at 31 March 2016: 8,166,432.38 & as at 01 April 2015: NIL) Units of ₹100/- each in ICICI Prudential Money Market Fund Dir Daily Dividend Reinvestment*	2,266.10	8,178.15	–
NIL (as at 31 March 2016: 29,732,928.009 & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Prudential Ultra Short Term Fund Dir Daily Dividend Reinvestment	–	3,004.93	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 2,843,720.496) Units of ₹10/- each in IDFC Arbitrage Fund Dir Growth	–	–	526.08
NIL (as at 31 March 2016: 3,136,979.34 & as at 01 April 2015: 2,843,720.496) Units of ₹10/- each in IDFC Arbitrage Plus Fund Direct Plan Growth	–	544.66	511.58
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 10,716,154.083) Units of ₹10/- each in IDFC Ultra Short Term Fund Growth (Direct Plan)	–	–	2,099.21
15,545,405.43 (as at 31 March 2016: 15,545,405.43 & as at 01 April 2015: 4,228,712.961) Units of ₹10/- each in IDFC Dynamic Bond Fund Dir Growth	3,256.96	2,854.34	731.96
NIL (as at 31 March 2016: 400,043.13 & as at 01 April 2015: 130,573.724) Units of ₹1000/- each in IDFC Cash Fund Daily Dividend (Direct Plan)	–	4,005.94	1,306.63
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 6,086,205.008) Units of ₹10/- each in IDFC Govt Securities Fund Investment Plan Dir Growth	–	–	1,030.28
273,355.62 (as at 31 March 2016: 324,583.38 & as at 01 April 2015: NIL) Units of ₹1000/- each in IDFC Cash Fund Weekly Dividend (Direct Plan)*	2,752.58	3,268.42	–

Notes forming part of the financial statements (Contd...)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 34,205,028.719) Units of ₹ 10/- each in JPMorgan India Treasury Fund Direct Daily Dividend Reinvestment *	–	–	3,447.52
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 6,508,552.238) Units of ₹10/- each in JPMorgan India Active Bond Fund Direct Plan Growth	–	–	1,010.10
54,490,468.70 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in IDFC Corporate Bond Fund Dir Growth	6,111.60	–	–
27,715,553.24 (as at 31 March 2016: 14,447,515.63 & as at 01 April 2015: 9,830,811.730) Units of ₹10/- each in Kotak Bond (Short Term) Direct Monthly Dividend Pay-out	2,886.49	4,152.50	1,008.64
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 2,555,564.358) Units of ₹ 10/- each in Kotak Bond Scheme Plan A Direct Growth	–	–	1,035.54
4,409,890.50 (as at 31 March 2016: NIL & as at 01 April 2015: 2,545,643.386) Units of ₹10/- each in Kotak Equity Arbitrage Fund Dir Growth	1,054.94	–	530.98
4,665,593.58 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in Kotak Flexi debt Fund Direct Plan Growth	1,005.41	–	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 11,354,768.979) Units of ₹10/- each in Kotak Floater long Term DDR	–	–	2,541.69
217,513.72 (as at 31 March 2016: 257,268.8841 & as at 01 April 2015: nil) Units of ₹1000/- each in Kotak Floater Short Term Direct Daily Dividend Reinvestment	2,200.41	2,602.58	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 2,777,862.657) Units of ₹10/- each in L&T Triple Ace Bond Fund Growth	–	–	1,028.55
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 18,094,521.533) Units of ₹10/- each in L&T Ultra Short Term Fund Direct Plan Growth	–	–	4,126.78
88,922.24 (as at 31 March 2016: 59,422.78 & as at 01 April 2015: NIL) Units of ₹1000/- each in L&T Liquid Fund Dir Daily Dividend Reinvestment	900.68	601.86	–
6,562,526.66 (as at 31 March 2016: NIL & as at 01 April 2015: nil) Units of ₹10/- each in LIC MF Bond Fund Dir growth	2,987.67	–	–
27,453.73 (as at 31 March 2016: NIL & as at 01 April 2015: nil) Units of ₹1000/- each in LIC MF Liquid Fund DDR	301.44	–	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 3,564,045.905) Units of ₹10/- each in Reliance Arbitrage Fund Dir Growth	–	–	530.53
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 5,535,688.584) Units of ₹10/- each in Reliance Dynamic Bond Fund Dir Growth	–	–	1,068.09
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 4,173,024.033) Units of ₹10/- each in Reliance Short Term Fund Direct Growth Plan	–	–	1,108.00
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 11,672,255.302) Units of ₹10/- each in Reliance Floating Rate Fund Short Term Plan Direct Growth	–	–	2,599.80

₹in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 5,618,331.485) Units of ₹10/- each in Reliance Gilt Securities Fund Direct Growth	–	–	1,035.32
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 15,422,174.803) Units of ₹10/- each in Reliance Medium Term Fund Direct Monthly Dividend Plan*	–	–	1,661.99
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 220,168.829) Units of ₹1000/- each in Reliance Money Manager Fund Daily Direct Dividend Plan*	–	–	2,207.71
NIL (as at 31 March 2016: 252,165.042 & as at 01 April 2015: nil) Units of ₹1000/- each in Reliance Liquid Fund Cash plan Direct Daily Dividend Reinvest	–	2,809.50	–
17,468,774.57 (as at 31 March 2016: NIL & as at 01 April 2015: nil) Units of ₹10/- each in Reliance Banking & PSU Debt Fund Dir Gr	2,066.89	–	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 199,087.848) Units of ₹1000/- each in Religare Invesco Short Term Fund–Direct Plan–Growth	–	–	3,795.83
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 122,972.340) Units of ₹1000/- each in Religare Invesco Ultra Short Term Fund–Direct Plan Growth	–	–	2,387.42
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 309,931.220) Units of ₹1000/- each in Religare Invesco Liquid Fund–Direct Plan Daily Dividend	–	–	3,101.76
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 31,131,854.776) Units of ₹10/- each in SBI Short Term Debt Fund–Direct Plan–Growth	–	–	5,026.49
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 17,733,742.622) Units of ₹10/- each in SBI Dynamic Bond Fund Dir Growth	–	–	3,088.83
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 199,187.009) Units of ₹1000/- each in SBI Magnum Insta Cash Fund Liquid Floater Direct Plan Daily Dividend	–	–	2,011.61
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 129,870.24) Units of ₹1000/- each in SBI Treasury Advantage Fund Direct Plan Growth	–	–	2,026.84
620,385.88 (as at 31 March 2016: 836,555.75 & as at 01 April 2015: nil) Units of ₹1000/- each in SBI Premier Liquid Fund Dir Daily Dividend Reinvest*	6,224.02	8,392.74	–
NIL (as at 31 March 2016: 93,929.737 & as at 01 April 2015: nil) Units of ₹1000/- each in SBI Ultra Short Term Debt Fund Dir Daily Dividend Reinvest	–	945.02	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 15,594,629.594) Units of ₹10/- each in Sundaram Ultra Short Term Debt Fund Direct Growth	–	–	3,011.18
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 19,803,544.724) Units of ₹10/- each in Sundaram Money Fund Direct Plan Daily Dividend	–	–	2,000.65
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 7,967,998.607) Units of ₹10/- each in Sundaram Select Debt STAP Direct Weekly Dividend	–	–	1,060.57
NIL (as at 31 March 2016: 555,331.56 & as at 01 April 2015: nil) Units of ₹1000/- each in Tata Money Market Fund Direct Plan Daily Dividend	–	5,561.75	–

Notes forming part of the financial statements (Contd...)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 7,739,471.322) Units of ₹10/- each in Tata Short Term Bond Fund Direct Plan Growth	–	–	2,046.66
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 29,354,621.732) Units of ₹10/- each in Templeton India Ultra Short Term Bond Fund–Direct–Growth	–	–	5,449.92
5,930,728.195 (as at 31 March 2016: 5,930,728.195 & as at 01 April 2015: 5,930,692.767) Units of ₹10/- each in UTI Bond Fund Direct Plan Growth	3,083.33	2,695.84	2,543.90
3,303,845.943 (as at 31 March 2016: 3,303,845.943 & as at 01 April 2015: 3,304,841.046) Units of ₹10/- each in UTI Dynamic Bond Fund Direct Plan Growth	650.05	563.38	527.48
14,056,710.392 (as at 31 March 2016: 14,056,710.392 & as at 01 April 2015: 6,047,119.152) Units of ₹10/- each in UTI Short Term Income Fund Institutional Option–Direct Growth	2,856.75	2,590.65	1,026.47
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 15,000,000.000) Units of ₹10/- each in UTI Banking & PSU Debt Fund Direct Plan Monthly Dividend	–	–	1,513.20
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 369,301.403) Units of ₹1000/- each in UTI Money Market Fund Institutional Plan Direct Daily Dividend	–	–	3,705.52
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 15,735,947.099) Units of ₹10/- each in UTI Short Term Income Fund Institutional Option–Direct Monthly Dividend Plan*	–	–	1,662.38
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 120,571.403) Units of ₹1000/- each in UTI Treasury Advantage Fund–Direct Plan–Daily Dividend*	–	–	1,208.55
90,880.92 (as at 31 March 2016: NIL & as at 01 April 2015: nil) Units of ₹1000/- each in UTI Money Market Fund Direct Daily Dividend	911.89	–	–
453,143.13 (as at 31 March 2016: 398,340.49 & as at 01 April 2015: nil) Units of ₹1000/- each in UTI Liquid Cash Plan–Direct Plan–Daily Dividend Reinvestment*	4,619.55	4,060.86	–
	72,935.86	**80,762.61**	**116,198.70**
Total	**75,437.59**	**85,645.89**	**129,341.64**

* Earmarked towards the Settlement Guarantee Fund–aggregate value ₹11,470.06 lakhs (as at 31 March 2016: ₹13,775.85 lakhs & as at 01 April 2015: ₹19,197.32 lakhs)

Aggregate amount of listed but not quoted investments at fair value	72,935.86	80,762.61	116,198.70
Aggregate amount of listed but not quoted investments at cost	70,012.57	79,225.59	114,303.86
Aggregate amount of unquoted investments at fair value	2,501.73	4,883.27	13,142.94
Aggregate amount of unquoted investments at cost	7,086.98	10,137.90	13,142.94

₹ in Lakhs

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
9.	**TRADE RECEIVABLES**			
	Secured, considered good *	240.61	383.58	1,023.50
	Unsecured, considered good	40.73	35.55	41.93
	Doubtful	1,436.23	1,597.98	1,650.82
		1,717.57	2,017.11	2,716.25
	Less: Provision for doubtful trade receivables	(1,436.23)	(1,597.98)	(1,650.82)
	Total	**281.34**	**419.13**	**1,065.43**
	* secured by cash margins / bank guarantees / fixed deposit receipts and hypothecation of movables such as commodities, etc. from members.			
10.	**CASH AND CASH EQUIVALENTS**			
	Balances with banks			
	– in current accounts	402.33	2,039.68	3,426.35
	– bank deposits with original maturity of three months or less	–	31.57	67.69
	Cheques on hand	1.64	2.31	4.19
	Total	**403.97**	**2,073.56**	**3,498.23**
11.	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**			
	Bank deposits with original maturity of more than three months*	38,438.09	47,900.71	23,027.52
	In earmarked accounts			
	– unpaid dividend accounts	37.21	35.61	22.95
	– other earmarked accounts	17.32	17.32	3.24
	Total	**38,492.62**	**47,953.64**	**23,053.71**

* Bank deposits include:

(a) Deposits which are earmarked for Settlement Guarantee Fund ₹ 5,131.47 lakhs (as at 31 March 2016: ₹ 4,929.10 lakhs, as at 01 April 2015: Nil) out of which deposits of ₹ Nil (as at 31 March 2016: ₹ 4,129.10 lakhs, as at 01 April 2015: Nil) are under lien.

(b) Deposits other than note (a) which are under lien with banks for overdraft facilities and bank guarantee – ₹ 21,104.17 lakhs (as at 31 March 2016: ₹ 22,332.17 lakhs, as at 01 April 2015: ₹ 23,027.52 lakhs)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
12.	**LOANS**			
	Loans and advances to employees	34.86	33.38	27.55
	Total	**34.86**	**33.38**	**27.55**

Notes forming part of the financial statements (Contd...)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
13. CURRENT OTHER FINANCIAL ASSETS			
Unsecured, considered good			
Security deposits	300.00	300.00	300.00
Total	**300.00**	**300.00**	**300.00**
14. OTHER CURRENT ASSETS			
(a) Secured, considered good			
Unbilled revenue*	1,997.22	1,838.07	1,700.34
(b) Unsecured, considered good (unless stated otherwise)			
Interest accrued but not due on fixed deposits**	3,079.30	1,529.11	849.48
Interest accrued but not due on Tax free Bonds	1,170.58	612.40	–
Other Receivables	11.88	59.30	103.25
Prepaid expenses	841.01	1,082.52	991.42
Balance with government authorities	185.32	145.11	218.61
Advances for supply of services other than capital advances	1,143.39	1,081.35	1,779.61
Other loans and advances	17.01	17.86	18.81
	6,448.49	4,527.65	3,961.18
(c) Unsecured, considered doubtful			
Other loans and advances	2.91	21.09	1,229.13
Other recoverable	325.86	347.62	317.52
Less: Provision	(328.77)	(350.53)	(321.98)
	–	18.18	1,224.67
Total	**8,445.71**	**6,383.90**	**6,886.19**

* Secured by cash margins / bank guarantees / fixed deposit receipts and hypothecation of movables such as commodities, etc. from members.

** Includes interest of ₹311.86 lakhs (as at 31 March 2016: ₹146.30 lakhs at 01 April 2015: Nil) on fixed deposits which are earmarked for Settlement Guarantee Fund.

15. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs	Number of Shares	₹ in lakhs
Authorized						
Equity shares of ₹10/- each 7,00,00,000 equity shares	70,000,000	7000.00	70,000,000	7000.00	70,000,000	7000.00
Issued						
Equity shares of ₹10/- each 5,09,98,369 equity shares	50,998,369	5,099.84	50,998,369	5,099.84	50,998,369	5,099.84
Subscribed and Paid-Up						
Equity shares of ₹10/- each 5,09,98,369 equity shares fully paid-up	50,998,369	5,099.84	50,998,369	5,099.84	50,998,369	5,099.84
	50,998,369	**5,099.84**	**50,998,369**	**5,099.84**	**50,998,369**	**5,099.84**

a. Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting year :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares held	Amount ₹ in lakhs	Number of shares held	Amount ₹ in lakhs	Number of shares held	Amount ₹ in lakhs
Opening Balance at the beginning of the reporting year	50,998,369	5,099.84	50,998,369	5,099.84	50,998,369	5,099.84
Shares issued during the reporting year	–	–	–	–	–	–
Closing balance at the end of the reporting year	**50,998,369**	**5,099.84**	**50,998,369**	**5,099.84**	**50,998,369**	**5,099.84**

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. 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 in the proportion of equity shares held.

c. Details of shares held by each shareholder holding more than 5% Shares:

Name of Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Kotak Mahindra Bank Limited	7,649,755	15.00%	7,649,755	15.00%	7,649,755	15.00%

d. For particulars of options granted under Employee Stock Option Schemes, refer note 37 on ESOP.

Notes forming part of the financial statements (Contd...)

16. OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Securities Premium Reserve	**Retained Earnings**	**ESOP Compensation Reserve**	**General Reserve**	**Equity Instruments through Other Comprehensive Income**	
As at April 01, 2015	**21,684.17**	**83,901.25**	**119.75**	**16,449.39**	**1,040.57**	**123,195.13**
Profit for the year		11,377.62				11,377.62
Dividend		(5,099.84)				(5,099.84)
Dividend distribution tax		(1,038.21)				(1,038.21)
Equity instruments through other comprehensive income					(4,652.85)	(4,652.85)
Reclassified to retained earning on disposal		(881.69)			881.69	–
ESOP Compensation Reserve			163.73			163.73
Re-measurement of employee benefits obligation and others		(69.61)				(69.61)
As at March 31, 2016	**21,684.17**	**88,189.53**	**283.48**	**16,449.39**	**(2,730.59)**	**123,875.98**
Profit for the year		12,627.15				12,627.15
Dividend		(3,314.89)				(3,314.89)
Dividend distribution tax		(674.85)				(674.85)
Equity instruments through other comprehensive income					(1,789.76)	(1,789.76)
Reclassified to retained earning on disposal		(1,095.20)			1,095.20	–
ESOP Compensation Reserve			115.63			115.63
Re-measurement of employee benefits obligation and others		(61.89)				(61.89)
As at March 31, 2017	**21,684.17**	**95,669.85**	**399.11**	**16,449.39**	**(3,425.15)**	**130,777.37**

Note:

Equity instruments through other comprehensive income – This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

17. SETTLEMENT GUARANTEE FUND (SGF)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Opening balance (cash component)	18,823.67	18,747.84	17,199.77
Add/(Less): Base minimum capital (BMC)	(2,809.43)	144.25	(170.60)
Add: Settlement related penalties (Net of Tax)	77.51	83.31	59.76
Less: Appropriation of dues of defaulting members	–	(1,208.75)	–
Add: Income from earmarked investments (Net of Tax)	863.24	1,057.02	1,658.91
Expelled members deposits transferred to SGF	46.73		
Fixed Deposit Receipt invoked of Expelled members transferred to SGF	47.74		
Total	**17,049.46**	**18,823.67**	**18,747.84**

Notes :

(i) In addition to the cash component of Base Minimum Capital, the amount of bank guarantees/fixed deposits receipts (Non cash component) forming part of SGF as at 31 March, 2017 aggregate ₹5,560.07 lakhs (as at 31 March, 2016 ₹7,382.86 lakhs & at 31 March, 2015 ₹8,159.83 lakhs).

(ii) As at March 31, 2017, SGF does not include Base Minimum Capital of Non-SEBI registered members. SGF Includes Base Minimum Capital (Cash component) of 606 members aggregating to ₹2,662.80 lakhs who have not applied for registration with SEBI as at March 31, 2016 and Base Minimum Capital (Non cash component) comprising of bank guarantees/fixed deposits receipts as at 31 March, 2016 aggregate ₹1,682.31 lakhs.

(iii) In accordance with the regulatory guidelines, the Company has conducted stress test at the end of the current financial year to determine adequacy of the Settlement Guarantee Fund (SGF). The SGF being adequate, no fresh contributions from the profits have been made during the current financial year.

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18. OTHER NON CURRENT FINANCIAL LIABILITIES			
Trade / Security deposits from			
– Settlement bankers	1,900.00	1,900.00	1,900.00
– Members	1,412.53	137.87	349.20
Total	**3,312.53**	**2,037.87**	**2,249.20**
19. NON CURRENT PROVISIONS			
Provision for Compensated absences	142.43	123.55	101.16
Total	**142.43**	**123.55**	**101.16**
20. OTHER CURRENT FINANCIAL LIABILITIES			
Amount received from members and applicants towards			
– Trading Margin from Members	20,318.21	24,725.29	23,893.28
– Member's Security Deposits	971.82	783.90	986.06
– Application Money (pending admission)	104.55	110.53	98.03
– Networking Equipment Deposits	28.81	34.58	37.25
Security deposits from Depository participants	59.00	313.00	376.00
Total	**21,482.39**	**25,967.30**	**25,390.62**

Notes forming part of the financial statements (Contd...)

₹ in Lakhs

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
21.	**OTHER CURRENT LIABILITIES**			
	Statutory remittances	2,348.95	6,098.61	4,767.44
	Payable to Multi Commodity Exchange Investor (Client) Protection Fund (IPF)	359.13	222.79	265.64
	Payable to employees	39.61	42.36	46.75
	Amount received from members and applicants	1,082.02	911.53	1,274.22
	Income received in advance	81.50	56.96	55.95
	Unclaimed dividends *	37.21	35.61	22.96
	Payable for purchase of fixed assets	416.17	41.15	96.24
	Total	**4,364.59**	**7,409.01**	**6,529.20**
	* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.			
22.	**CURRENT PROVISIONS**			
	Provision for Compensated absences	110.72	68.10	59.90
	Provision for Gratuity (Refer Note 36)	116.40	51.09	48.28
	Total	**227.12**	**119.19**	**108.18**
23.	**INCOME TAX LIABILITIES (NET)**			
	Provision for tax [net of advance tax ₹3,729.11 lakhs (as at 31 March 2016: ₹4,276.87 lakhs & as at 01 April, 2015: ₹4,104.27 lakhs)]	365.82	489.08	1,008.62
	Total	**365.82**	**489.08**	**1,008.62**

₹ in Lakhs

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
24. REVENUE FROM OPERATIONS			
Sale of Services			
Transaction fees		23,303.67	20,288.19
Annual subscription fees		417.57	971.03
Membership admission fees		83.13	24.70
Terminal charges		55.99	69.61
		23,860.36	21,353.53
Other operating revenues			
Connectivity Income		916.31	856.77
Other recoveries from members			
– Penalties (net of transfer to SGF)		371.33	406.42
– Others		170.46	396.35
Data feed Income		361.00	378.89
Warehouse Income		264.47	100.80
		2,083.57	2,139.23
	Total	**25,943.93**	**23,492.76**
25. OTHER INCOME			
Dividend income:			
– from current investments		2,246.34	1,512.28
Interest income:			
– on bank deposits		3,268.60	2,667.13
– on Tax Free Bonds		1,780.91	624.19
– from Others		6.40	77.00
		5,055.91	3,368.32
Net gain on sale of :			
– current investments		293.44	4,197.21
– long-term investments		200.65	313.02
		494.09	4,510.23
Gain/(loss) on fair valuation of Mutual Funds		2,074.62	(382.71)
Gain on fair valuation of Bonds		1,562.75	2,256.17
Rental income from operating lease		–	184.00
Provisions/Liability no longer required written back		173.22	167.72
Income from sale of fixed assets		0.34	–
Miscellaneous income		35.31	31.65
	Total	**11,642.58**	**11,647.66**

Notes forming part of the financial statements (Contd...)

₹ in Lakhs

	Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
26.	**EMPLOYEE BENEFITS EXPENSE**			
	Salaries and wages		5,962.44	3,755.02
	Contribution to provident and other funds		246.51	199.88
	Staff welfare expenses		120.97	74.18
	Share based payment to employee		111.93	163.73
		Total	**6,441.85**	**4,192.81**
27.	**FINANCE COSTS**			
	Interest expenses on :			
	– delayed/deferred payment of tax		–	3.10
	– Others		19.68	26.91
		Total	**19.68**	**30.01**
28.	**OTHER EXPENSES**			
	Software support charges		4,263.48	3,736.00
	Communication expenses		1,235.76	1,151.33
	Advertisement		362.80	1,917.03
	Electricity		317.88	301.91
	Rent		261.84	175.61
	Repairs and maintenance – software		456.96	401.26
	Repairs and maintenance – others		497.82	509.68
	Insurance		55.81	55.37
	Rates and taxes		34.86	23.43
	Travelling and conveyance		352.90	222.87
	Printing and stationery		42.93	39.44
	Business promotion		76.92	18.40
	CSR related expenses		328.85	296.90
	Legal and Professional Charges		580.36	596.63
	Product License fees		745.24	642.08
	Sponsorships and Seminar expenses		289.84	210.78
	Software license fees		173.62	112.30
	Outsourced service charges		159.78	228.64
	Membership fees and subscriptions		89.02	72.45
	Security service charges		106.19	83.94
	Loss on Winding up of Subsidiary		–	0.27
	Provision for doubtful advances		56.00	28.57
	Provision for doubtful trade receivables		19.88	254.58
	Bad debts written off		45.15	14.30
	SEBI – Exchange regulatory fees		391.94	212.00

₹ in Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Payment to the auditors		
– For audit	18.00	16.00
– For other services	11.50	2.95
– Reimbursement of out of pocket expenses	0.65	0.25
Contribution to Multi Commodity Exchange Investor (Client) Protection Fund (IPF)	25.00	25.00
Net loss on foreign currency transactions and translations	4.04	4.87
Loss on fixed assets sold/scrapped	–	4.37
Directors Sitting fees	90.53	66.63
Office expenses	269.59	222.83
Miscellaneous expenses	160.11	123.86
Total	**11,525.25**	**11,772.53**

29. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

₹ in Lakhs

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**April 01, 2015**
Contingent liabilities :			
Claims against the Company not acknowledged as debts			
– Income tax demands against which the Company is in appeals (including interest upto date of order)	3,054.40	511.80	511.80
– Sales tax demands against which the Company is in appeals	1,014.97	1,443.60	–
– Others (excluding interest)	75.02	111.80	75.90
Bank guarantee given	365.00	365.00	365.00
Capital Commitments:			
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	1,241.06	96.20	641.60

In addition to the matters as specified in contingent liabilities above, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business the impact of which is unascertainable. The Company's management does not reasonably expect that the legal actions, when ultimately concluded and determined, will have adverse effect on the Company's financial statements.

Other Commitments:

The Company has commitments to pay for the services related to (i) maintenance of core network equipment and (ii) technology support and managed services based on long-term agreements, the cancellation of which may entail monetary compensation.

30. SEGMENT REPORTING

Based on the risks and returns identified, organizational structure and the internal financial reporting system, the business segment is the primary segment for the Company and accordingly "business of facilitating trading in commodities and incidental activities thereto" is considered as the only Primary Reportable business segment as per Ind AS 108, "Operating Segments". Further, since the Company renders services only in the domestic market in India and there is no geographical segment.

Notes forming part of the financial statements (Contd...)

31. FOREIGN CURRENCY TRANSACTIONS

₹ in Lakhs

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	April 01, 2015
Expenditure in Foreign Currency			
– License Fees	742.12	652.10	736.90
– Repairs and Maintenance-Others	5.43	22.40	40.60
– Membership and Subscription	22.05	27.40	23.50
– Sponsorship and Seminar Expenses	–	–	1.30
– Professional Charges	29.26	9.90	0.10
– Software License Fee	0.79	3.20	–
Earnings in Foreign Exchange			
– Data feed income	111.91	107.40	113.20

32. OPERATING LEASES

The Company has entered into cancellable operating lease agreements as lessee for various premises. The lease rentals recognised as an expense in the Statement of Profit and Loss during the year is as follows:

₹ in Lakhs

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	April 01, 2015
Lease rentals (Included in Rent – Note No. 28)	127.92	102.98	93.70

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Obligations on Non Cancellable Lease			
Not later than 1 year	93.38	39.20	24.50
Later than 1 year but not later than 5 years	186.13	15.40	14.10
Later than 5 years	5.70	0.00	0.00

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

33. EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Weighted Average Shares Outstanding – Basic	50,831,922	50,811,661
Effect of dilutive securities on account of ESOP	29,846	18,925
Weighted Average Shares Outstanding – Diluted	50,861,768	50,830,586

Net Profit available to equity shareholders of the company used in the basic and diluted earnings per share was determined as follows:

₹ in Lakhs, except EPS

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Earnings available to equity shareholders	12,627.14	11,377.62
Earnings available for equity shareholders for diluted earnings per share	12,627.14	11,377.62
Basic Earnings per Share	24.84	22.39
Diluted Earning per Share	24.83	22.38

34. TAXATION

Income tax related to items charged or credited directly to profit or loss during the year :

₹ in Lakhs

Statement of profit or loss	For the year ended	
	March 31, 2017	March 31, 2016
Current income tax	4,078.77	4,607.51
Deferred Tax	1,036.52	138.20
Total Income Tax Expense	**5,115.29**	**4,745.71**

₹ in Lakhs (as otherwise stated)

Statement of profit or loss	For the year ended	
	March 31, 2017	March 31, 2016
Reconciliation:		
Profit/(loss) before tax	17,742.43	16,123.33
Applicable tax rate	34.608%	34.608%
Computed expected tax expense	6,140.30	5,579.96
Add:		
Expenses disallowed	1,102.93	974.85
Income not considered in Profit & Loss Account	383.82	316.97
Exceptional Item		194.88
Less:		
Ind AS Impact (Net)	(1,258.82)	(591.70)
Depreciation allowed	(630.49)	(665.75)
Loss adjusted against long term capital gain	(51.26)	(108.33)
Exempt income	(1,607.71)	(1,056.37)
Excess provision for tax relating to prior year	–	(37.00)
Income tax expense per Profit & Loss Account	**4,078.77**	**4,607.51**

Deferred tax relates to the following:

₹ in Lakhs

Particulars	Balance Sheet	
	As at March 31, 2017	As at March 31, 2016
Expenses allowable on payment basis	127.89	84.01
Other items giving rise to temporary differences (including impact on fair value of investments)	345.47	1,608.21
Difference between WDV of Property, Plant and Equipment as per books of accounts & Income Tax	(1,222.37)	(1,234.43)
Deferred tax asset / (liability)	**(749.01)**	**457.79**

Reconciliation of deferred tax assets / (liabilities) net:

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance as on April 01	457.79	(1,875.70)
Tax income / (expense) during the period recognized in profit & loss account	(1,038.52)	(138.20)
Differences on other comprehensive income	(170.28)	2,471.69
Closing Balance	**(749.01)**	**457.79**

35. RELATED PARTY INFORMATION

Names of related parties and nature of relationship:

Nature of relationship	Name of Related Party
Subsidiary Companies	Multi Commodity Exchange Clearing Corporation Limited (MCX CCL)
	SME Exchange of India Limited (SME) (Refer note no 43)
Associate Company	Metropolitan Clearing Corporation of India Limited (formerly known as MCX-SX Clearing Corporation Limited) (upto 01.07.2015)
Shareholders' Directors	Mr. Amit Goela (w.e.f. 04.02.2016)
	Mrs. Madhu Vadera Jayakumar (w.e.f. 04.02.2016)
	Mrs. Padma Raghunathan* (w.e.f. 04.02.2016)
	Mr. Hemang Raja (w.e.f. 30.06.2016)
	Mr. Chengalath Jayaram (w.e.f. 25.11.2016)
	Mr. M. A. K. Prabhu* (upto 19.09.2016)
	Mr. Ajai Kumar (upto 19.09.2016)
	Mr. R. Amalorpavanathan* (upto 29.09.2015)
	* Sitting fees are paid directly to the nominee institutions
Independent Directors	Mr. Pravin Tripathi (w.e.f. 12.08.2014)
	Mr. Arun Kumar Nanda (w.e.f. 19.05.2015)
	Mr. Subrata Kumar Mitra (w.e.f. 19.05.2015)
	Dr. Govinda Marapalli Rao (w.e.f. 29.09.2015)**
	Mr. Saurabh Chandra (w.e.f. 03.07.2016)
	Mr. Prithvi Haldea (w.e.f. 25.10.2016)
	Mr. Arun Bhargava (w.e.f. 19.11.2016)
	Mr. G. Anantharaman (upto 18.10.2016)
	Mr. Satyananda Mishra (upto 18.11.2016)
Key Managerial Personnel (KMP)	Mr. Mrugank Paranjape, MD & CEO (w.e.f. 09.05.2016)
	Mr. Parveen Kumar Singhal, President and Whole Time Director (upto 31.03.2016 : Joint Managing Director)
	Mr. Ajay Puri, Company Secretary
	Mr. Sanjay Wadhwa, Chief Financial Officer (w.e.f. 27.02.2017)
	Mr. Rahi Racharla, Chief Information Officer, Technology
	Mr. Narendra Kumar Ahlawat, Chief Regulatory Officer
	Mr. V. Krishnan, Chief Regulatory Officer (upto 31.10.2016)
	Mr. Sandeep Kumar Sarawgi, Chief Financial Officer (upto 08.08.2016)
Others	
Relatives of KMPs or company in which KMP is interested and where transaction exists	(i) PHD Chamber of Commerce and Industry (ii) Adya IT Services Private Limited
Controlled Employee Welfare Trust	MCX ESOP Trust
SEBI mandated IPF Trust	Multi Commodity Exchange Investor (Client) Protection Fund (IPF)

** Dr. Govinda Marapalli Rao was appointed as an additional director from 08.08.2015 and his designation was changed on 29.09.2015.

Transactions with related parties for the year ended March 31, 2017

₹ in Lakhs

Particulars	As at March 31, 2017								
	Subsidiaries		Associate	Others					Total
	MCX CCL	SME	MCCIL (upto 01 July 2015)	MCX ESOP Trust	MCX IPF	Shareholder's Directors	Independent Directors	Relatives of KMPs or company in which KMP is interested	
Re-imbursements charged to the company	–	–	–	–	0.41	0.02	0.44	–	0.87
Recoveries charged by the company	1.69	–	–	8.00	7.96	–	–	–	17.65
Seminar & Conference expenses	–	–	–	–	–	–	–	1.13	1.13
Dividend Paid	–	–	–	11.47	–	–	–	–	11.47
Contribution to IPF	–	–	–	–	25.00	–	–	–	25.00
Penalties /Non Compliance Charges	–	–	–	–	3,166.80	–	–	–	3,166.80
Sitting Fees Paid	–	–	–	–	–	38.70	88.95	–	127.65
Loan & advances / Deposits given:									
Balance - Opening	–	–	–	–	–	–	–	–	–
Given during the year	1.00	–	–	–	–	–	–	–	1.00
Repaid / adjustments during the year	1.00	–	–	–	–	–	–	–	1.00
Balance – Closing	–	–	–	–	–	–	–	–	–
Investment balance as at year end	458.40	–	–	–	–	–	–	–	458.40
Full & Final settlement received on account of liquidation	–	–	–	–	–	–	–	–	–
Outstanding Balance receivable / (payable) as at March 31	–	–	–	–	219.45	–	–	–	219.45

Transactions with related parties for the year ended March 31, 2016

₹ in Lakhs

Particulars	As at March 31, 2016								
	Subsidiaries		Associate	Others					Total
	MCX CCL	SME	MCCIL (upto 01 July 2015)	MCX ESOP Trust	MCX IPF	Shareholder's Directors	Independent Directors	Relatives of KMPs or company in which KMP is interested	
Purchase of capital assets	–	–	–	–	–	–	–	–	–
Re-imbursements charged to the company	–	–	–	–	–	–	0.60	–	0.60
Recoveries charged by the company	5.50	–	–	6.70	15.97	–	–	–	28.17

Notes forming part of the financial statements (Contd...)

Transactions with related parties for the year ended March 31, 2016

₹ in Lakhs

Particulars	As at March 31, 2016								
	Subsidiaries		Associate	Others					Total
	MCX CCL	SME	MCCIL (upto 01 July 2015)	MCX ESOP Trust	MCX IPF	Shareholder's Directors	Independent Directors	Relatives of KMPs or company in which KMP is interested	
Dividend Paid	–	–	–	18.60	–	–	–	–	18.60
Contribution to IPF	–	–	–	–	25.00	–	–	–	25.00
Penalties / Non Compliance Charges	–	–	–	–	4,272.28	–	–	–	4,272.28
Sitting Fees Paid	–	–	–	–	–	36.30	69.25	–	105.55
Loan & advances / Deposits given:									
Balance – Opening	–	–	–	–	–	–	–	–	–
Given during the year	4.00	–	–	–	–	–	–	0.50	4.50
Repaid/adjustments during the year	4.00	–	–	–	–	–	–	0.50	4.50
Balance – Closing	–	–	–	–	–	–	–	–	–
Investment balance as at year end	451.20	–	–	–	–	–	–	–	451.20
Full & Final settlement received on account of liquidation	–	3.70	–	–	–	–	–	–	3.70
Outstanding Balance receivable / (payable) as at March 31	–	–	–	–	222.80	–	–	–	222.80

Transactions with Key Managerial Personnel :

(₹ in Lakhs except as otherwise stated)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
1. Salary and Allowances paid/payable to KMPs*:		
Mr. Parveen Kumar Singhal	213.23	167.00
Mr. Mrugank Paranjape	297.03	–
Mr. Sanjay Wadhwa	5.96	–
Mr. Ajay Puri	68.10	54.30
Others	259.44	105.30
2. Dividend paid to KMPs :		
Mr. Parveen Kumar Singhal	0.36	0.65
Others	0.01	–
	In Numbers	**In Numbers**
3. Employee Stock Options (ESOP 2008) :		
Opening Balance at the beginning of year	10,200	10,200
Add: Options granted during the year	–	–
Less: Exercised during the year	(10,200)	–
Closing Balance at the end of the year	–	10,200

* Excludes gratuity and long term compensated absences which are actuarially valued at Company level and where separate amounts are not identifiable.

Notes :

1. There are no amounts written off or written back during the year in respect of debts due from or to related parties.
2. KMPs as on the respective dates are considered.

36. EMPLOYEE BENEFIT PLANS:

a. Post employment defined benefit plans:

The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2017 and March 31, 2016.

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2017	**March 31, 2016**
Change in benefit obligations		
Present Value of Benefit obligation at the beginning of the period	400.60	334.62
Current Service Cost	61.21	50.28
Interest Cost	32.29	26.77
Gains/Losses on Curtailment	–	–
Transfer of obligation	–	–
Remeasurements – Actuarial (gains)/losses	92.81	25.74
Benefits paid from the Fund	(20.94)	(36.81)
Present Value of Benefit obligations at the end of the period	**565.97**	**400.60**
Change in plan assets		
Fair value of plan assets at the beginning of the period	349.50	286.34
Interest Income	28.17	22.91
Transfer of assets	–	–
Remeasurements – Return on plan assets excluding amounts included in interest income	(1.83)	(0.60)
Contributions by the employer	94.67	77.67
Benefits paid from the fund	(20.94)	(36.81)
Fair value of plan assets at the end	**449.57**	**349.51**
Funded Status - Excess of obligation over plan assets	**(116.40)**	**(51.09)**

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the Statement of Profit and Loss under employee benefits expenses.

₹ in Lakhs

Recognized in Profit and Loss	For the year ended	
	March 31, 2017	**March 31, 2016**
Current Service Cost	61.21	50.28
Net Interest Cost	4.12	3.86
Gains/Losses on Curtailment	–	–
Expenses Recognized	**65.33**	**54.14**

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in statement of other comprehensive income:

₹ in Lakhs

Recognized in Other Comprehensive Income	For the year ended	
	March 31, 2017	**March 31, 2016**
Actuarial (gains) / losses on obligation for the period	92.81	25.74
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	1.83	0.60
Change in Asset Ceiling	–	–
Net (Income) / Expense for the period recognized in OCI	**94.64**	**26.34**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2017 and March 31, 2016 are set out below:

Weighted Average Actuarial Assumptions	As at	
	March 31, 2017	March 31, 2016
Discount rate	7.29%	8.06%
Weighted average rate of increase in compensation levels	7.50%	7.50%
Weighted average duration of defined projected benefit obligation	15	15

₹ in Lakhs

Sensitivity Analysis	As at	
	March 31, 2017	March 31, 2016
Projected Benefit Obligation on Current Assumptions	565.97	400.60
Delta Effect of +1% change in rate of Discounting	(66.38)	(46.54)
Delta Effect of -1% change in rate of Discounting	79.63	55.81
Delta Effect of +1% change in rate of Salary Increase	78.66	55.56
Delta Effect of -1% change in rate of Salary Increase	(66.83)	(47.16)
Delta Effect of +1% change in rate of Employee Turnover	(3.08)	1.81
Delta Effect of -1% change in rate of Employee Turnover	3.32	(2.19)

Additional Details:

Methodology adopted for Valuation is Projected Unit Credit Method.

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Since investment is with insurance company, Assets are considered to be secured.

Assumptions regarding future mortality experience are set in accordance with the Indian Assured Lives Mortality (2006-08).

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute ₹ 116.40 lakhs to the plan assets during financial year 2017-18.

Actuarial Gains/Losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation

Maturity profile of projected benefit obligation:

₹ in Lakhs

Projected Benefits Payable in Future Years from the Date of Reporting	March 31, 2017	March 31, 2016
Within 1 year	41.31	29.65
1-2 years	11.55	9.21
2-3 years	12.77	9.98
3-4 years	28.96	10.97
4-5 years	15.87	30.56
5-10 years	140.57	80.98

b. Defined Contribution Plans :

Amounts recognised as expenses towards contributions to Provident and Family Pension Fund, Employee State Insurance Corporation and other funds by the Company are ₹178.3 Lakhs (Previous Year ₹143 Lakhs) (Refer Note No. 26).

₹ in Lakhs

Particulars	As at	
	March 31, 2017	March 31, 2016
Contribution to Provident and Family Pension Fund	175.7	140.7
Contribution to Employees State Insurance Scheme (ESIC)	0.4	0.4
Contribution to Labour Welfare Fund	0.1	0.1
Contribution to Employees Deposit Linked Insurance (EDLI)	2.1	1.8

37. EMPLOYEE STOCK OPTION PLAN (ESOP):

During the year ended 31 March 2009, the shareholders of the Company approved the 'Employee Stock Options Plan 2008' ('ESOP – 2008'). Under the said scheme, 1,625,000 Equity Shares of ₹10 each have been allotted to ESOP Trust who will administer the ESOP Scheme on behalf of the Company. Out of which ESOP Trust has granted (a) 1,313,250 number of options convertible into 1,313,250 equity shares of ₹10 each to eligible employees on 2 July 2008 and 23 August 2008 in aggregate; (b) 331,750 (including the lapsed options available for reissuance) numbers of options convertible into 331,750 equity shares of ₹10 each to eligible employees on 24 October 2011; (c) 10,000 numbers of options convertible into 10,000 equity shares of ₹10 each to an eligible employee on 3 October 2012; (d) 25,300 numbers of options convertible into 25,300 equity shares of ₹10 each to eligible employees on 19 April 2013; (e) 10,000 numbers of options convertible into 10,000 equity shares of ₹10 each to an eligible employee on 19 February 2014 and (f) 172,600 numbers of options convertible into 172,600 equity shares of ₹10 each to eligible employees on November 11, 2014.

Details of the Options granted by the ESOP Trust is as under:

Vesting period	No. of Options granted	Exercise Price	Grant Date
2 July 2008 to 2 July 2009	391,725	₹ 144.00	2-Jul-08
2 July 2008 to 2 July 2010	391,725	₹ 144.00	
2 July 2008 to 2 July 2011	522,300	₹ 144.00	
23 August 2008 to 23 August 2009	2,250	₹ 144.00	23-Aug-08
23 August 2008 to 23 August 2010	2,250	₹ 144.00	
23 August 2008 to 23 August 2011	3,000	₹ 144.00	
24 October 2011 to 24 October 2012	99,525	₹ 390.00	24-Oct-11
24 October 2011 to 24 October 2013	99,525	₹ 390.00	
24 October 2011 to 24 October 2014	132,700	₹ 390.00	
3 October 2012 to 3 October 2013	3,000	₹ 1,282.75	3-Oct-12
3 October 2012 to 3 October 2014	3,000	₹ 1,282.75	
3 October 2012 to 3 October 2015	4,000	₹ 1,282.75	
19 April 2013 to 19 April 2014	7,590	₹ 855.70	19-Apr-13
19 April 2013 to 19 April 2015	7,590	₹ 855.70	
19 April 2013 to 19 April 2016	10,120	₹ 855.70	
19 Feb 2014 to 19 Feb 2015	1,000	₹ 516.50	19-Feb-14
19 Feb 2014 to 19 Feb 2016	2,000	₹ 516.50	
19 Feb 2014 to 19 Feb 2017	3,000	₹ 516.50	
19 Feb 2014 to 19 Feb 2018	4,000	₹ 516.50	
11 Nov 2014 to 11 Nov 2015	17,260	₹ 851.10	11-Nov-14
11 Nov 2014 to 11 Nov 2016	34,520	₹ 851.10	
11 Nov 2014 to 11 Nov 2017	51,780	₹ 851.10	
11 Nov 2014 to 11 Nov 2018	69,040	₹ 851.10	

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹10 each. Exercise period for each option granted on 2 July 2008 and 23 August 2008 is three years from the date of their respective vesting. Exercise period for each option granted on 24 October 2011, 3 October 2012, 19 April 2013, 19 February 2014 and 11 November 2014 is one year from the date of their respective vesting.

The following table exhibits the net compensation expenses arising from share based payment transaction:

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Expense arising from equity settled share based payment transactions	111.93	163.73

The activity in the 2008 Plan for equity-settled share based payment transactions during the year ended March 31, 2017 is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
2008 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning of year	162,190	851.40	185,201	847.51
Granted during the year	–	–	–	–
Forfeited and lapsed during the year	22,718	851.67	18,040	851.56
Exercised during the year	43,988	851.86	4,971	705.81
Outstanding at the end of year	**95,484**	**851.12**	**162,190**	**851.40**
Exercisable / vested at the end of year	4,855		18,085	

Lapsed options available for reissuance are 45,582 (As at March 31, 2016: 22,864) shares.

The following table summarizes information about options exercised and granted during the year and about options outstanding and their remaining contractual life as at March 31, 2017:

Particulars	Options outstanding			Options Exercised	
	Number of share options	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number of share options	Weighted average fair value
2-Jul-08	–	–	–	–	–
23-Aug-08	–	–	–	–	–
24-Oct-11	–	–	–	–	–
3-Oct-12	–	–	–	–	–
19-Apr-13	500	0.05	₹855.70	7,262	₹855.70
19-Feb-14	–	–	–	–	–
11-Nov-14	94,984	2.11	₹851.10	36,726	₹851.10

For options granted on 2 July 2008 and 23 August 2008 under ESOP 2008 Scheme; the intrinsic value of each option is Nil. The estimated fair value of each option is ₹15.64 and ₹16.62 for options granted on 2 July 2008 and 23 August 2008 respectively. The weighted average fair values have been determined using the Binomial Option Pricing Model considering the following parameters:

Particulars	For options granted in	
Grant date	**2-Jul-08**	**23-Aug-08**
Weighted average share price on the date of grant	₹90	₹90
Weighted average Exercise price on the date of grant	₹90	₹90
Expected volatility (%)	1%	1%
Expected life of the option (years)	3.5 years	3.5 years
Expected dividends (%)	25%	25%
Risk-free interest rate (%)	9.14%	9.13%
Weighted average fair value as on grant date	₹85	₹85

Each option granted represents a right to the option grantee but not an obligation to apply for 1 fully paid up Equity Share of ₹10 each of the Company at duly adjusted exercise price after consolidation of share and bonus issue i.e. ₹144 pursuant to the corporate action during the year ended 31 March 2011.

For options granted on 24 October 2011, 3 October 2012, 19 April 2013, 19 February 2014 and 11 November 2014 under ESOP 2008 Schemes; the intrinsic value of each option is Nil. The estimated fair value of each option is ₹324.99, ₹342.64, ₹202.34, ₹181.47 and ₹363.18 for options granted on 24 October 2011, 3 October 2012, 19 April 2013, 19 February 2014 and 11 November 2014 respectively. The weighted average fair values have been determined using the Black Schole Formula considering the following parameters:

Particulars	**For options granted in**				
	24-Oct-11	**3-Oct-12**	**19-Apr-13**	**19-Feb-14**	**11-Nov-14**
Weighted average share price on the date of grant	₹390	₹1282.75	₹855.70	₹516.50	₹851.10
Weighted average Exercise price on the date of grant	₹390	₹1282.75	₹855.70	₹516.50	₹851.10
Expected volatility (%)	2.26%	34.35%	32.75%	52.37%	52.22%
Expected life of the option (years)	1.5 Years	2.6 Years	2.6 Years	3.5 Years	3.5 Years
Expected dividends (%)	Not Considered	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant
Dividend yield (%)	–	1.87%	2.80%	4.65%	1.17%
Risk-free interest rate (%)	8.60%	8.12%	7.49%	8.86%	8.26%
Weighted average fair value as on grant date	₹385	₹1282.75	₹855.70	₹516.50	₹851.10

38. FINANCIAL INSTRUMENTS:

Financial instruments by category

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The carrying value and fair value of financial instruments by categories as at March 31, 2017 were as follows:

₹ in Lakhs

Particulars	**Amortised cost**	**Financial assets/ liabilities at fair value through profit or loss**		**Financial assets/ liabilities at fair value through OCI**		**Total carrying value**	**Total fair value**
		Designated upon initial recognition	**Mandatory**	**Equity instruments designated upon initial recognition**	**Mandatory**		
Assets:							
Cash and cash equivalents (Refer Note No. 10)	403.97	–	–	–	–	403.97	403.97
Bank Balances (Refer Note No. 11)	38,492.62	–	–	–	–	38,492.62	38,492.62
Investments (Refer Note No. 4 & 8)							
Equity securities	–	–	–	3,446.62	–	3,446.62	3,446.62
Tax free bonds	–	–	34,655.17	–	–	34,655.17	34,655.17
Mutual Funds	–	–	81,377.63	–	–	81,377.63	81,377.63
Warrants	–	–	–	–	–	–	–
Trade receivables (Refer Note No. 9)	281.34	–	–	–	–	281.34	281.34
Loans (Refer Note No. 12)	34.86	–	–	–	–	34.86	34.86
Other financial assets (Refer Note No. 13)	513.07	–	–	–	–	513.07	513.07
Total	**39,725.86**	**–**	**116,032.80**	**3,446.62**	**–**	**159,205.28**	**159,205.28**
Liabilities:							
Trade payables	3,007.60	–	–	–	–	3,007.60	3,007.60
Other financial liabilities (Refer Note No 20)	24,794.92	–	–	–	–	24,794.92	24,794.92
Total	**27,802.52**	**–**	**–**	**–**	**–**	**27,802.52**	**27,802.52**

Notes forming part of the financial statements (Contd...)

The carrying value and fair value of financial instruments by categories as at March 31, 2016 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note No. 10)	2,073.56	–	–	–	–	2,073.56	2,073.56
Bank Balances (Refer Note No. 11)	47,953.64	–	–	–	–	47,953.64	47,953.64
Investments (Refer Note No. 4 & 8)							
Equity securities	–	–	–	2,381.68	–	2,381.68	2,381.68
Tax free bonds	–	–	22,238.64	–	–	22,238.64	22,238.64
Mutual Funds	–	–	82,315.63	–	–	82,315.63	82,315.63
Warrants	–	–	–	4,159.18	–	4,159.18	4,159.18
Trade receivables (Refer Note No. 9)	419.13	–	–	–	–	419.13	419.13
Loans (Refer Note No. 12)	33.38	–	–	–	–	33.38	33.38
Other financial assets (Refer Note No. 13)	595.01	–	–	–	–	595.01	595.01
Total	**51,074.72**	**–**	**104,554.27**	**6,540.86**	**–**	**162,169.85**	**162,169.85**
Liabilities:							
Trade payables	1,878.93	–	–	–	–	1,878.93	1,878.93
Other financial liabilities (Refer Note No. 20)	28,005.17	–	–	–	–	28,005.17	28,005.17
Total	**29,884.10**	**–**	**–**	**–**	**–**	**29,884.10**	**29,884.10**

The carrying value and fair value of financial instruments by categories as at April 01, 2015 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note No. 10)	3,498.23	–	–	–	–	3,498.23	3,498.23
Bank Balances (Refer Note No. 11)	23,053.71	–	–	–	–	23,053.71	23,053.71
Investments (Refer Note No. 4 & 8)							
Equity securities (Refer note)	–	–	–	3,521.49	–	3,521.49	3,521.49
Tax free bonds	–	–	–	–	–	–	–
Mutual Funds	–	–	116,780.74	–	–	116,780.74	116,780.74
Warrants (Refer note)	–	–	–	11,791.34	–	11,791.34	11,791.34
Trade receivables (Refer Note No. 9)	1,065.43	–	–	–	–	1,065.43	1,065.43
Loans (Refer Note No. 12)	27.55	–	–	–	–	27.55	27.55
Other financial assets (Refer Note No. 13)	944.42	–	–	–	–	944.42	944.42
Total	**28,589.34**	**–**	**116,780.74**	**15,312.83**	**–**	**160,682.91**	**160,682.91**
Liabilities:							
Trade payables	950.38	–	–	–	–	950.38	950.38
Other financial liabilities (Refer Note No. 20)	27,639.82	–	–	–	–	27,639.82	27,639.82
Total	**28,590.20**	**–**	**–**	**–**	**–**	**28,590.20**	**28,590.20**

Note: Investment in equity instrument & warrants are not held for trading. The company has chosen to measure these at FVTOCI irrevocably as the management believes that presently fair value gains and losses relating to these investments in P & L may not be indicative of the performance of the company.

Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of mutual funds is based on quoted price. The fair value of tax free bonds is based on quoted prices and market observable inputs.

The fair value of warrants & equity securities is based on the valuation provided by the certified valuers.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2017:

₹ in Lakhs

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds (FVTPL)	81,377.63	81,377.63	–	–
Investments in tax free bonds (FVTPL)	34,655.17	34,655.17	–	–
Investments in Warrants of other company (FVTOCI)	–	–	–	–
Investments in equity instruments (FVTOCI)	3,446.62	–	–	3,446.62
Liabilities				
Liability towards contingent consideration	–	–	–	–

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2016:

₹ in Lakhs

Particulars	As at March 31, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds (FVTPL)	82,315.63	82,315.63	–	–
Investments in tax free bonds (FVTPL)	22,238.64	22,238.64	–	–
Investments in Warrants of other company (FVTOCI)	4,159.18	–	–	4,159.18
Investments in equity instruments (FVTOCI)	2,381.68	–	–	2,381.68
Liabilities				
Liability towards contingent consideration	–	–	–	–

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at April 01, 2015:

₹ in Lakhs

Particulars	As at April 01, 2015	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds (FVTPL)	116,780.74	116,780.74	–	–
Investments in tax free bonds (FVTPL)	–	–	–	–
Investments in Warrants of other company (FVTOCI)*	11,791.34	–	–	11,791.34
Investments in equity instruments (FVTOCI)*	3,521.49	–	–	3,521.49
Liabilities				
Liability towards contingent consideration	–	–	–	–

* The carrying amount of financial asset measured at FVTOCI in the financial statements are a reasonable approximation of their fair values since the company does not anticiapate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the company's management.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Since the company has no borrowings, exposure to risk of change in market interest rate is nil.

Foreign currency risk

The company periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the company has not entered in foreign exchange forward exchange contracts.

Derivative financial instruments

The company has not entered into any forward exchange contract being derivative instruments.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particular	As at March 31, 2017		As at March 31, 2016	
	₹ in Lakhs	Amount in Foreign Currency	₹ in Lakhs	Amount in Foreign Currency
Other receivables				
In USD	1.36	2,013	0.20	349
Trade Payables				
In USD	131.44	202,726	68.60	103,347
In GBP	106.89	132,157	56.90	59,890

Sensitivity Analysis

A Change of 5% in Foreign currency would have following impact on Profit before tax

Particulars	2016-17		2015-16	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	5% Increase	5% decrease	5% Increase	5% decrease
USD	(6.50)	6.50	(6.67)	6.67
GBP	(5.35)	5.35	(2.85)	2.85

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹281.34 lakhs and ₹419.13 lakhs as at March 31, 2017 and March 31, 2016 respectively and unbilled revenue amounting to ₹1,997.22 lakhs and ₹1,838.07 lakhs as at March 31, 2017 and March 31, 2016 respectively.

Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Investment in mutual fund & bonds is with financial institutions with high credit rating assigned by the international credit rating agencies.

Ageing of Account receivables ₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables			
Less than 6 months	224.39	231.39	270.27
More than 6 months	56.95	187.74	795.18
Total	**281.34**	**419.13**	**1,065.43**

Movement in provisions of doubtful debts ₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Opening provision	1,597.98	1,650.82
Add: Additional provision made	–	254.58
Less: Provision write off	117.13	307.42
Less: Provision reversed	44.62	–
Closing provision	1,436.23	1,597.98

Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financial Arrangements

Following are the unutilised sanctioned bank overdraft limits as at the respective year end. ₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Expiring within one year (bank overdraft)	18,251.00	19,233.00	20,588.00

(ii) Maturity patterns of other Financial liabilities

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade Payable			
Less than 6 months	2,972.08	1,840.07	836.15
More than 6 months	35.51	38.86	114.23
Total	**3,007.60**	**1,878.93**	**950.38**

Capital Risk Management

(a) Risk Management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividend

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Equity shares	509.98	509.98
Final dividend for the year ended March 31, 2017 of ₹ 15/- (March 31, 2016 – ₹ 6.5/-) per fully paid share	7,649.70	3,314.87
Dividends not recognised at the end of the reporting period	7,649.70	3,314.87

39. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

₹ In Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Amount required to be spent as per Section 135 of the Act	308.49	523.20
Amount spent during the year on:		
(i) Construction / acquisition of an asset	–	–
(ii) On purpose other than (i) above	328.85	296.90
Total	**328.85**	**296.90**

40. Pursuant to the Consent Terms between the Company and Metropolitan Stock Exchange of India Ltd. (MSEI) filed with and taken on record by the H'ble Bombay High Court, the Company has since received necessary approval and no objection from SEBI for conversion of warrants of MSEI into its Equity Shares. Accordingly, the Company vide its letter dated September 29, 2016 to MSEI has exercised the conversion right of 26,51,77,600 warrants issued as per the Scheme of Reduction cum Arrangement into 26,51,77,600 Equity shares of ₹1 each. The equity shares have since been alloted to the company and have been credited to demat account of the Company on October 3, 2016. Amount of ₹15,07,40,072 has been received towards balance 15,07,40,072 warrants on October 14, 2016 as per the Consent Terms.

41. DISCLOSURE IN RESPECT OF SPECIFIED BANK NOTES HELD AND TRANSACTED

The Company did not have any holding or dealing in Specified Bank Notes during the period November 8, 2016 to December 31, 2016, as envisaged in notification G.S.R. 308(E) dated March 30, 2017.

42. EXCEPTIONAL ITEMS

Pursuant to compliance of regulatory inspection, certain penalties pertaining to financial years 2010-11 and 2011-12 amounting to ₹194 lakhs were transferred to Multi Commodity Exchange Investor (Client) Protection Fund (IPF). Further, similar penalties for earlier years pertaining to financial years 2007-08 to 2009-10 amounting to ₹369.1 lakhs were transferred to IPF. Accordingly, during the year ended March 31, 2016 a total sum of ₹563.1 lakhs was transferred to IPF and disclosed as an exceptional item.

43. SME EXCHANGE OF INDIA LIMITED (SME)

The Board of Directors of SME Exchange of India Limited (SME) at its meeting held on January 19, 2015 considered that SME had not commenced any operations and with no possibility of commencing in the foreseeable future, agreed to the members' voluntary winding up. The Directors of SME after having made inquiry into the affairs of the Company and on the basis of the Auditors report for the period commencing from April 1, 2014 to January 21, 2015, formed the opinion that the SME is solvent and will be able to pay its debt in full within 36 months from the commencement of winding up. Thereafter, the members of SME at its Second Extra Ordinary General Meeting held on March 18, 2015, accorded their consent for members' voluntary winding up, pursuant to the provisions of Section 484(1) (b) of the Companies Act, 1956 and also approved the appointment of a Liquidator for the same.

The Liquidator realised all the assets and paid off the liabilities and returned the share capital to the respective shareholders. Thereafter, the liquidator at the final General Meeting of SME held on March 28, 2016, submitted the accounts showing in detail the manner in which the winding up has been conducted and the assets of the SME have been disposed off which was approved by the shareholders of SME. The Company has realised ₹3.7 lakhs against its carrying value of ₹4.0 lakhs in equity shares. The requisite filing with Registrar of the Companies and the Official Liquidator w.r.t. the final general meeting is being done by the Liquidator and the final order of dissolution is awaited.

44. EVENT OCCURING AFTER BALANCE SHEET DATE

The Board of Directors has recommended Equity dividend of ₹15/- per share (Previous year ₹6.5/-) for the financial year 2016-17 (Refer Note 38).

45. The Financial Statements were approved by the Audit Committee & Board of Directors on May 4, 2017.

46. FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from April 1, 2016, with a transition date of April 1, 2015. Ind AS 101 – "First-time Adoption of Indian Accounting Standards" requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2017 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP (I GAAP) have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions applied in the transition from IGAAP to Ind AS.

A. Optional Exemptions availed

1. Property, Plant and Equipment

The Company has availed the exemption with regards to fair valuation of Property, Plant and Equipment on the date of transition as defined in Para 7AA of Appendix – D of Ind AS 101 that carrying value of Property, Plant and Equipment as on date of transition has been considered as deemed cost for the purpose of initial measurement under Ind AS.

2. Investment in subsidiaries and associates

The Company has availed the exemption with regards to fair valuation of investments in subsidiaries and associates as per Para 14 & 15 of Appendix – D of Ind AS 101 and carrying value as per previous IGAAP is considered as deemed cost under Ind AS.

3. Share-based payment

Ind AS 102 Share-based Payment has not been applied to equity instruments in share based payment transactions that vested before the transition date (April 01, 2015). The remaining options have been measured at fair value as against intrinsic value previously as measured under IGAAP. The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'ESOP Compensation Reserve', with the corresponding impact taken to the retained earnings as on the transition date.

4. Designation of previously recognized financial instruments

Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI) on the basis of the facts and circumstances at the date of transition to Ind AS. The company has opted to apply this exemption for its investment in equity Investments.

B. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from IGAAP to Ind AS as required under Ind AS 101:

I. Reconciliation of Balance sheet as at April 01, 2015 (Transition Date) and March 31, 2016

II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

III. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

IV. Reconciliation of Equity as at April 01, 2015 and as at March 31, 2016

Notes forming part of the financial statements (Contd...)

I. Reconciliation of Balance sheet as at April 01, 2015 (Transition Date) and March 31, 2016

₹ In Lakhs

Particulars	Note No.	As at March 31, 2016 Indian GAAP	As at March 31, 2016 Ind AS Effect	As at March 31, 2016 Ind AS	As at April 01, 2015 Indian GAAP	As at April 01, 2015 Ind AS Effect	As at April 01, 2015 Ind AS
Assets							
(1) Non-current assets							
(a) Property, plant and equipment		12,167.47	–	12,167.47	11,408.35	–	11,408.35
(b) Capital work in progress		40.06	–	40.06	–	–	–
(c) Intangible assets		1,531.02	–	1,531.02	2,873.45	–	2,873.45
(d) Intangible assets under development		272.47	–	272.47	228.45	–	228.45
(e) Financial assets							
(i) Non-current investments	A	22,300.97	3,148.27	25,449.24	1,318.50	1,434.44	2,752.94
(ii) Non-current other financial assets		295.01	–	295.01	644.42	–	644.42
(f) Deferred tax assets (net)	G	–	457.79	457.79	–	–	–
(g) Other non-current assets		1,156.02	–	1,156.02	1,974.42	–	1,974.42
(h) Income tax assets (net)		1,645.84	–	1,645.84	1,201.09	–	1,201.09
Total non-current assets		**39,408.86**	**3,606.06**	**43,014.91**	**19,648.68**	**1,434.44**	**21,083.12**
(2) Current assets							
(a) Financial assets							
(i) Current investments	A	85,107.23	538.66	85,645.89	127,946.80	1,394.84	129,341.64
(ii) Trade receivables		419.13	–	419.13	1,065.43	–	1,065.43
(iii) Cash and cash equivalents		2,073.56	–	2,073.56	3,498.23	–	3,498.23
(iv) Bank balances other than cash and cash equivalents		47,953.64	–	47,953.64	23,053.71	–	23,053.71
(v) Loans		33.38	–	33.38	27.55	–	27.55
(vi) Current other financial assets		300.00	–	300.00	300.00	–	300.00
(b) Other current assets		6,383.90	–	6,383.90	6,886.19	–	6,886.19
Total current assets		**142,270.84**	**538.66**	**142,809.50**	**162,777.92**	**1,394.84**	**164,172.75**
Total assets		**181,679.70**	**4,144.72**	**185,824.42**	**182,426.60**	**2,829.27**	**185,255.87**
Equity and Liabilities							
(1) Equity							
(a) Equity share capital		5,099.84	–	5,099.84	5,099.84	–	5,099.84
(b) Other equity	A to G	115,292.98	8,583.00	123,875.98	115,117.68	8,077.45	123,195.13
Total equity		**120,392.82**	**8,583.00**	**128,975.82**	**120,217.52**	**8,077.45**	**128,294.97**
(2) Settlement guarantee fund	A	18,792.29	31.38	18,823.67	18,711.44	36.40	18,747.84
(3) Non-current liabilities							
(a) Financial liabilities							
(i) Other non-current financial liabilities	B	2,213.36	(175.49)	2,037.87	2,360.40	(111.20)	2,249.20
(b) Non-current provisions		123.55	–	123.55	101.16	–	101.16
(c) Deferred tax liabilities (net)	G	485.70	(485.70)	–	967.10	908.60	1,875.70
Total non-current liabilities		**2,822.61**	**(661.19)**	**2,161.42**	**3,428.66**	**797.40**	**4,226.06**
(4) Current liabilities							
(a) Financial liabilities							
(i) Trade payables		1,878.93	–	1,878.93	950.38	–	950.38
(ii) Other current financial liabilities	B	25,786.03	181.27	25,967.30	25,353.09	37.53	25,390.62
(b) Other current liabilities		7,409.01	–	7,409.01	6,529.20	–	6,529.20
(c) Current provisions	C	4,108.93	(3,989.74)	119.19	6,227.69	(6,119.51)	108.18
(d) Income tax liabilities (net)		489.08	–	489.08	1,008.62	–	1,008.62
Total current liabilities		**39,671.98**	**(3,808.47)**	**35,863.51**	**40,068.98**	**(6,081.98)**	**33,987.00**
Total liabilities		**61,286.88**	**(4,438.28)**	**56,848.60**	**62,209.08**	**(5,248.18)**	**56,960.90**
Total equity and liabilities		**181,679.70**	**4,144.72**	**185,824.42**	**182,426.60**	**2,829.27**	**185,255.87**

II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

₹ in Lakhs

	Particulars	Note	Year ended March 31, 2016		
			Indian GAAP	Ind AS Effect	Ind AS
I	**Income**				
	Revenue from operations		23,492.76	–	23,492.76
	Other income	A	9,774.20	1,873.46	11,647.66
	Total Income		**33,266.96**	**1,873.46**	**35,140.42**
II	**Expenses**				
	Employee benefits expense	C, D	4,055.42	137.39	4,192.81
	Finance costs	B	3.78	26.23	30.01
	Depreciation and amortization expense		2,458.64	–	2,458.64
	Other expenses		11,772.53	–	11,772.53
	Total expenses		**18,290.37**	**163.62**	**18,453.98**
III	Profit before exceptional items and tax		14,976.59	1,709.84	16,686.44
IV	Exceptional items	H	6,667.63	(6,104.53)	563.10
V	**Profit before tax**		**8,308.96**	**7,814.37**	**16,123.33**
VI	**Tax expenses**				
	(1) Current tax		(4,607.51)	–	(4,607.51)
	(2) Deferred tax	G	481.30	(619.50)	(138.20)
VII	**Profit for the year**		**4,182.75**	**7,194.87**	**11,377.62**
VIII	**Other Comprehensive Income**				
	Items that will not be reclassified to profit or loss (net of tax)				
	i) Changes in fair value of equity instruments	A, E	–	(4,652.85)	(4,652.85)
	ii) Remeasurement of employee benefits obligations		–	(17.22)	(17.22)
IX	**Total comprehensive income for the year**		**4,182.75**	**2,524.80**	**6,707.55**

Notes forming part of the financial statements (Contd...)

III. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

₹ in Lakhs

Particulars	Notes	For the Year Ended March 31, 2016
Net Profit after tax under previous Indian GAAP		**4,182.76**
Gain on Fair valuation of Investments	A	1,873.46
Effect of amortised cost	B	(26.23)
Employee benefit expenses (ESOP)	D	(163.71)
Reversal of Loss on Investments classified as Fair value through Other Comprehensive Income	E, H	6,104.53
Actuarial gain / (loss) on employee defined benefit plans recognise in Other Comprehensive Income	C	26.32
Deferred tax adjustment on above	G	(619.51)
Net Profit after tax under Ind AS		**11,377.62**
Other Comprehensive Income (net of tax)	C, E, H	(4,670.07)
Total Comprehensive Income under Ind AS		**6,707.55**

IV. Reconciliation of Equity as at April 01, 2015 and as at March 31, 2016

₹ in Lakhs

Particulars	Notes	As at March 31, 2016	As at April 01, 2015
Shareholder's equity as per previous GAAP		**1,20,392.29**	**1,20,217.70**
Actuarial gain / (loss) on employee defined benefit plans recognise in Other Comprehensive Income (net of tax)	C	(17.22)	–
ESOP Compensation Reserve	D	163.73	–
Gain on Fair Value through Profit & Loss (net of tax)		7,728.29	1,884.10
Loss on Fair Value through Other Comprehensive Income (net of tax)	E	(3,301.46)	–
Proposed Dividend derecognised	I	3,936.52	6,119.50
Others	B	73.67	73.67
Shareholder's equity as per IND AS		**1,28,975.82**	**1,28,294.97**

The following explains the material adjustments made while transition from previous accounting standards to IND AS:

A. Investments

- Investments in tax free bonds and mutual funds are carried at fair value through Profit and loss under Ind AS as compared to being carried at cost under IGAAP.
- Investment in equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

B. NPN / POP Security Deposits

NPN / POP equipment deposits from the members are measured at amortized cost.

C. Employee Benefits Expenses (Gratuity)

Both under Indian GAAP and Ind AS, the company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements are recognized in other comprehensive income.

D. ESOP

Employee compensation expenses relating to share based payment (ESOP) is measured at fair value of the option as per Ind AS 102 as compared to intrinsic value under IGAAP.

E. Other comprehensive income

Under IGAAP, the company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled profit or loss as per Indian GAAP to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

F. Other adjustments

Movement in other comprehensive income includes fair value change on account of Investment in equity instruments of other entities – Dubai Gold and Commodities Exchange (DMCC), Metropolitan Stock Exchange of India Limited, Metropolitan Clearing Corporation of India Limited, Investments in warrants of other company – Metropolitan Stock Exchange of India Limited designated as Fair value through other comprehensive income.

G. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. 'Ind AS 12 Income Taxes' requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind 'AS 12 Income Taxes' approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

H. Exceptional items reversed by ₹6,104.53 lakhs is towards aggregate loss, diminution and provision on account of the investments in MSEI for FY 2015-16, the same has been routed through OCI net of tax.

I. Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

J. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

K. Financial assets and financial liabilities have been regrouped/reclassified wherever required to comply with Ind AS.

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Mumbai, May 4, 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MULTI COMMODITY EXCHANGE OF INDIA LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of MULTI COMMODITY EXCHANGE OF INDIA LIMITED (the "Company"), and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company.

Auditor's Responsibility

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

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group as at March 31, 2017 and its consolidated profit (including other comprehensive income), its consolidated cash flows and consolidated changes in equity for the year then ended.

Other Matter

The comparative financial information of the subsidiary company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these consolidated Ind AS financial statements, are based on the previously audited statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 25, 2016 and May 07, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable.

(e) On the basis of the written representations received from the Directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the reports of statutory auditors of its subsidiary company, none of the directors of the Group Companies is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the Auditors' Reports of the Company and its Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its Subsidiary Company incorporated in India.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii. The Group did not have any outstanding long-term contracts including derivative contracts on which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company.

   iv. As mentioned in note 42 of the Consolidated Ind AS financial statements, the disclosure requirement of Specified bank notes as envisaged in notification G.S.R 308 (E) dated March 30, 2017 is not applicable to the group.

For **SHAH GUPTA & CO.,**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Place : Mumbai
Date : May 04, 2017

ANNEXURE - A TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** ("Company") and its Subsidiary Company incorporated in India, as at March 31, 2017 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Subsidiary Company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Company and its Subsidiary Company incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its Subsidiary Company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note.

For **SHAH GUPTA & CO.**
Chartered Accountants
Firm Registration No.: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Place : Mumbai
Date : May 04, 2017

Consolidated Balance Sheet as at March 31, 2017

₹ in Lakhs

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	2A	14,007.77	12,167.47	11,408.35
(b) Capital work in progress	2B	24.34	40.06	–
(c) Intangible assets	3A	1,170.31	1,531.02	2,873.45
(d) Intangible assets under development	3B	12.05	272.47	228.45
(e) Financial assets				
(i) Investments	4	43,583.54	24,998.04	2,152.94
(ii) Other financial assets	5	213.07	295.05	644.36
(f) Deferred tax assets (net)	34	–	481.08	–
(g) Other non-current assets	6	1,154.13	1,155.98	1,974.42
(h) Income tax assets (net)	7	2,558.63	1,645.84	1,201.09
Total non-current assets		**62,723.84**	**42,587.01**	**20,483.06**
(2) Current assets				
(a) Financial assets				
(i) Investments	8	76,262.53	86,435.34	130,214.97
(ii) Trade receivables	9	281.34	419.13	1,065.43
(iii) Cash and cash equivalents	10	407.55	2,077.69	3,509.61
(iv) Bank balances other than cash and cash equivalents	11	38,492.62	47,953.64	23,053.71
(v) Loans	12	34.86	33.38	27.55
(vi) Others	13	300.00	300.00	300.00
(b) Other current assets	14	8,445.71	6,384.00	6,886.19
Total current assets		**124,224.61**	**143,603.18**	**165,057.46**
Total Assets		**186,948.45**	**186,190.19**	**185,540.52**
Equity and Liabilities				
(1) Equity				
(a) Equity share capital	15	5,099.84	5,099.84	5,099.84
(b) Other equity	16	131,138.56	124,241.29	123,467.96
Equity attributable to equity holders of the parent		**136,238.40**	**129,341.13**	**128,567.80**
(2) Non-controlling interests				4.50
(3) Total equity		**136,238.40**	**129,341.13**	**128,572.30**
(4) Settlement guarantee fund	17	17,049.46	18,823.67	18,746.85
(5) Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	18	3,312.53	2,038.20	2,249.20
(b) Provisions	19	142.43	123.65	101.16
(c) Deferred tax liabilities (net)	34	757.23	–	1,881.05
Total non-current liabilities		**4,212.19**	**2,161.85**	**4,231.41**
(6) Current liabilities				
(a) Financial liabilities				
(i) Trade payables		3,007.60	1,878.93	951.14
(ii) Other financial liabilities	20	21,485.34	25,967.30	25,390.62
(b) Other current liabilities	21	4,364.18	7,409.12	6,530.59
(c) Provisions	22	227.12	119.19	108.19
(d) Income tax liabilities (net)	23	364.16	489.00	1,009.42
Total current liabilities		**29,448.40**	**35,863.54**	**33,989.96**
Total liabilities		**50,710.05**	**56,849.06**	**56,968.22**
Total Equity and Liabilities		**186,948.45**	**186,190.19**	**185,540.52**
Significant accounting policies, key accounting estimates and judgements	1			

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

₹ in Lakhs, except EPS

	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	**Income**			
	Revenue from operations	24	25,943.93	23,492.76
	Other income	25	11,690.38	11,690.74
	Total Income		**37,634.31**	**35,183.50**
II	**Expenses**			
	Employee benefits expense	26	6,441.85	4,192.81
	Finance costs	27	19.68	30.01
	Depreciation and amortization expense	2A, 3A	1,857.30	2,458.64
	Other expenses	28	11,539.13	11,772.99
	Total expenses		**19,857.96**	**18,454.45**
III	Profit before exceptional items and tax		17,776.35	16,729.05
IV	Exceptional items	44	–	563.10
V	**Profit before tax**		**17,776.35**	**16,165.95**
VI	**Tax expenses**			
	(1) Current tax	34	(4,078.80)	(4,615.96)
	(2) Deferred tax	34	(1,038.64)	(87.47)
VII	**Profit for the year**		**12,658.91**	**11,462.52**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss (net of tax)			
	(i) Changes in fair value of equity instruments		(1,796.96)	(4,555.55)
	(ii) Remeasurement of employee benefits obligations		(61.89)	(17.22)
IX	**Total Comprehensive Income for the year**		**10,800.06**	**6,889.75**
X	**Earnings per equity share** (of ₹ 10/- each)			
	(1) Basic	33	24.91	22.56
	(2) Diluted	33	24.89	22.55
	Significant accounting policies, key accounting estimates and judgements	1		

The accompanying notes are an integral part of these Consolidated Financial Statements.

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

₹ in lakhs

Particulars	Equity Share Capital (A)	Other Equity					Total Other Equity (B)
		Reserves and Surplus				Other Comprehensive Income	
		Securities Premium Reserve	Retained Earnings	ESOP Compen-sation Reserve	General Reserve	Equity Instruments through Other Comprehensive Income	
As at April 01, 2015	**5,099.84**	**21,684.17**	**84,055.21**	**119.75**	**16,449.38**	**1,159.45**	**123,467.96**
Profit for the year			11,462.52				11,462.52
Dividend			(5,099.84)				(5,099.84)
Dividend distribution tax			(1,038.21)				(1,038.21)
Equity instruments through other comprehensive income						(4,555.55)	(4,555.55)
Reclassified to retained earning on disposal			(881.69)			881.69	–
Impact on account of deemed disposal						(118.88)	(118.88)
ESOP Compensation Reserve				163.73			163.73
Re-measurement of employee benefits obligation and others			(69.61)				(69.61)
Others			29.16				29.16
As at March 31, 2016	**5,099.84**	**21,684.17**	**88,457.55**	**283.48**	**16,449.38**	**(2,633.29)**	**124,241.29**
Profit for the year			12,658.91				12,658.91
Dividend			(3,314.89)				(3,314.89)
Dividend distribution tax			(674.85)				(674.85)
Equity instruments through other comprehensive income						(1,796.96)	(1,796.96)
Reclassified to retained earning on disposal			(1,095.20)			1,095.20	–
ESOP Compensation Reserve				115.63			115.63
Re-measurement of employee benefits obligation and others			(61.89)				(61.89)
Others			(28.67)				(28.67)
As at March 31, 2017	**5,099.84**	**21,684.17**	**95,940.95**	**399.11**	**16,449.38**	**(3,335.05)**	**131,138.56**

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2017

₹ in Lakhs

	Particulars	For the year ended			
		March 31, 2017		March 31, 2016	
A	**Cash flow from operating activities**				
	Profit before exceptional items and tax		**17,776.35**		**16,729.05**
	Adjustments for:				
	Depreciation and amortisation expense	1,857.30		2,458.64	
	Finance costs	19.68		30.01	
	Dividend income	(1,669.26)		(1,550.27)	
	Net gain on sale of investments	(494.09)		(4,537.56)	
	Gain / (loss) on fair valuation of investments	(3,644.70)		(1,851.23)	
	Provision for doubtful advances provided / (written back)	56.00		28.57	
	Provision for doubtful trade receivables	19.88		254.58	
	Provisions no longer required written back	(178.57)		(167.72)	
	Loss on Winding up of Subsidiary	–		0.27	
	Loss on fixed assets sold / scrapped	(0.34)		4.37	
	Interest income	(5,055.91)		(3,368.32)	
	Shared based payment	17.28		137.07	
	Bad debts	45.15		14.30	
	Remeasurement of Employee benefit	94.65		26.33	
			(8,932.94)		**(8,520.96)**
	Operating profit before working capital changes		**8,843.41**		**8,208.09**
	Changes in working capital				
	Adjustments for (increase) / decrease in operating assets				
	Non-current assets				
	Other financial assets	81.94		349.41	
	Other non-current assets	1.89		818.40	
	Current assets				
	Trade receivables	61.91		363.00	
	Loans	(1.48)		(5.83)	
	Other current assets	46.56		1,794.32	
	Adjustment for increase in Settlement Guarantee Fund (SGF)	**(1,774.21)**		**75.83**	
	Adjustments for increase / (decrease) in operating liabilities				
	Non-current liabilities				
	Other financial liabilities	1,274.66		(167.67)	
	Provisions	18.88		22.39	
	Current liabilities				
	Trade payables	1,131.19		928.57	
	Other financial liabilities	(4,484.91)		576.68	
	Other current liabilities	(3,421.04)		922.25	
	Provisions	107.93		11.01	
	Less: Exceptional Items	–		(563.10)	
			(6,956.67)		**5,125.25**
	Cash generated from operations		**1,886.74**		**13,333.34**
	Net income tax paid (net of refunds)		(5,092.69)		(5,581.04)
	Net cash (used) / from operating activities		**(3,205.94)**		**7,752.30**

Consolidated Cash Flow Statement for the year ended March 31, 2017 (Contd...)

₹ in Lakhs

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
B	**Cash flow from investing activities**		
	Capital expenditure on fixed assets including capital advances	(2,689.87)	(2,022.70)
	Proceeds from sale of fixed assets	3.85	3.76
	Purchase of long-term investments-others	(17,595.08)	(21,688.64)
	Proceeds from winding of subsidiary	–	3.73
	Current investments	11,727.23	41,922.33
	Other Bank balances	9,462.62	(24,887.35)
	Dividend received	1,669.26	1,550.27
	Interest received	2,947.54	2,076.29
	Net cash flow from investing activities	**5,525.55**	**(3,042.31)**
C	**Cash flow from financing activities**		
	Dividend paid (including tax thereon)	(3,989.74)	(6,138.10)
	Finance costs	–	(3.80)
	Net cash flow used in financing activities	**(3,989.74)**	**(6,141.90)**
	Net increase / (decrease) in cash and cash equivalents	(1,670.14)	(1,431.91)
	Cash and cash equivalents at the beginning of the year	2,077.69	3,509.60
	Cash and cash equivalents at the end of the year (Refer Note 10)	**407.55**	**2,077.69**

Note to Cash Flow Statement:

1 The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date attached
For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number: 109574W

Vipul K. Choksi
Partner
Membership No.: 37606

Mumbai, May 4, 2017

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN: 02162026

Saurabh Chandra
Chairman
DIN: 02726077

Subrata K. Mitra
Director
DIN: 00029961

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Notes forming part of the consolidated financial statements

COMPANY OVERVIEW

Multi Commodity Exchange of India Limited (the "Company" or the "Exchange") is a deemed Stock Exchange recognised under the Securities Contracts (Regulation) Act, 1956. The Company is a demutualised Exchange and has permanent recognition from the Government of India to facilitate nationwide online trading, clearing and settlement operations of commodity derivatives.

The Company is a public limited company incorporated and domiciled in India and has its registered office at 'Exchange Square', Suren Road, Chakala, Andheri (East), Mumbai 400093, India. Its shares are listed on the BSE Limited. Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref No. 202/201 dated March 07, 2012 notified that with effect from March 09, 2012 the Company's equity shares were permitted to be traded and admitted to dealings on NSE.

1. SIGNIFICANT ACCOUNTING POLICIES, KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1.1 Basis of Preparation of Financial Statements

These consolidated financial statements has been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

For all previous periods including the year ended March 31, 2016, the group had prepared its consolidated financial statements in accordance with the accounting standards notified under Section 133 of Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India. The Group has adopted Indian Accounting Standards (Ind AS) and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition (date of transition being April 01, 2015) was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Figures of the financial year ended on March 31, 2016 have been restated as per Ind AS requirement of Ind AS 1 "Presentation of Financial Statement".

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

1.2 Basis of Consolidation

Investment in Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Control is achieved when the company has majority of voting rights.

The Company re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31. When the end of the reporting period of the Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Company to enable the Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Company's investment in each subsidiary and the Company's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. In addition, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Investment is in associate is fair valued through OCI on reporting date.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.3 Significant Accounting Policies

A. Property, plant and equipment

Property, plant and equipment are stated at original cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Property, plant and equipment (tangible) are depreciated / amortized over their useful lives as specified in "Part C" of Schedule II of the Companies Act, 2013.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated range of useful lives of property, plant and equipment are as follows:

Asset Class	Useful Life
Buildings	60 years
Office equipment	5 years
Computer equipment	3-6 years
Furniture and fixtures	10 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end.

Cost of assets not ready for intended use as on Balance Sheet date are disclosed under 'Capital work-in-progress'. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed under 'Other Non-Current Assets'.

B. Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria.

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed at each financial year end.

At each balance sheet date consideration is given to determine whether there is any indication of impairment of the carrying amounts of the group's intangible assets. If indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized in the Statement of Profit and Loss Account whenever the carrying amount of an asset exceeds its recoverable amount.

C. Impairment of non-financial assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired, if such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

D. Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks, cheque on hand, short-term deposits with a maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

E. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

F. Operating Leases

Assets given/taken on lease in which a significant portion of the risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Lease payment/Income made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the Payments/Receipts are structured to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases.

G. Fair Value Measurement

The Group measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the group.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

  For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

H. Financial Instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets:

<u>Initial recognition and measurement:</u>

The Group measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the techniques defined in Level 1 of fair value hierarchy of Ind-AS 113 "Fair Value Measurement" and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in Level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

i. The Group's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

(a) The Group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

(a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Investments in Equity and Convertible Warrants. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Group recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Group may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

De-recognition

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

(a) The group has transferred substantially all the risks and rewards of the asset, or

(b) The group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognize the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

On De-recognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measure at fair value through profit and loss (FVTPL)

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

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(b) Financial Liabilities

Initial recognition and measurement

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at Fair value.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition.

Subsequent measurement

All non-current financial liabilities of the Group are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

I. Revenue Recognition

Revenue is recognised on accrual basis and when no significant uncertainty as to measurement and realisation exists.

(a) Volume based transaction fees are accrued when orders placed by members on the network are matched and confirmed.

(b) Admission Fees (non refundable) collected from new members for joining the Exchange are recognized once the membership is approved.

(c) Annual subscription fees from members are recognized on accrual basis.

(d) Revenue from terminal charges is accrued on activation of new chargeable user.

(e) Connectivity income is accrued over the expected period of providing connectivity service.

(f) Dividend income is recognised when the Group's right to receive dividend is established.

(g) Interest income is recognized at accrual basis.

J. Foreign currency translation

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

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

K. Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

L. Employee Benefits Expenses

(a) Post-employment benefits and other long term benefits

Payments to defined contribution schemes are recognized as an expense when employees have rendered the service entitling them to the contribution. The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The group recognizes re-measurement gains and losses arising on defined benefit gratuity plans in Other Comprehensive Income (OCI) as they will never be reclassified into profit or loss, they are immediately recorded in retained earnings.

(b) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

(c) Stock based compensation

The group recognizes compensation expense relating to share-based payment in net profit using fair value in accordance with Ind AS 102 "Share-Based Payment". The group has chosen to recognize the credit in ESOP Compensation Reserve.

M. Taxes on Income (Current and Deferred)

Income tax expense comprises current and deferred income tax. Current income tax for taxable profit before tax as reported in the Statement of Profit and Loss for the periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

N. Provisions, Contingent liabilities, Contingent assets and Commitments

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events, when the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

<u>Onerous contracts</u>

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the group recognizes impairment on the assets with the contract.

O. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

P. Earnings per share

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

Q. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

R. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.4 Standards issued but not yet effective

The standards issued, but not yet effective up to the date of issuance of the Group's consolidated financial statements are disclosed below. The group intends to adopt this standard when it becomes effective.

Amendment to Ind AS 7 – Statement of Cash flows

The amendment to Ind AS 7, requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 102 – Share-based Payment

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

1.5 Key accounting estimates and Judgments

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Impairment of financial assets

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

2A. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Land-Freehold	Buildings	Office Equipment (Including Computer Hardware) (Refer Note below)	Net-working Equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
Deemed cost as at April 01, 2015	**5,060.52**	**4,961.56**	**1,083.07**	**47.18**	**208.87**	**47.15**	**11,408.35**
Additions	–	–	1,687.14	3.49	0.65	–	1,691.28
Disposals	–	–	0.14	2.67	–	7.19	10.00
Balance as at March 31, 2016	**5,060.52**	**4,961.56**	**2,770.07**	**48.00**	**209.52**	**39.96**	**13,089.63**
Additions	–	1,306.28	1,010.56	1.72	358.95	39.38	2,716.89
Disposals	–	–	5.41	2.26	–	3.20	10.87
Balance as at March 31, 2017	**5,060.52**	**6,267.84**	**3,775.22**	**47.46**	**568.47**	**76.14**	**15,795.65**
Accumulated Depreciation							
Balance as at April 01, 2015	–	–	–	–	–	–	–
Additions	–	93.02	740.96	18.20	61.19	10.60	923.97
Disposals	–	–	0.00*	0.61	–	1.20	1.81
Balance as at March 31, 2016	**–**	**93.02**	**740.96**	**17.59**	**61.19**	**9.40**	**922.16**
Additions	–	102.51	658.13	12.59	67.04	34.19	874.46
Disposals	–	–	5.41	1.01	–	2.32	8.74
Balance as at March 31, 2017	**–**	**195.53**	**1,393.68**	**29.17**	**128.23**	**41.27**	**1,787.88**
Net carrying amount							
Balance as at April 01, 2015	**5,060.52**	**4,961.56**	**1,083.07**	**47.18**	**208.87**	**47.15**	**11,408.35**
Balance as at March 31, 2016	**5,060.52**	**4,868.54**	**2,029.11**	**30.41**	**148.33**	**30.56**	**12,167.47**
Balance as at March 31, 2017	**5,060.52**	**6,072.31**	**2,381.54**	**18.29**	**440.24**	**34.87**	**14,007.77**

* represents 0.0044 lakhs

The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

2B. CAPITAL WORK IN PROGRESS

₹ in Lakhs

April 01, 2015	**–**
March 31, 2016	**40.06**
March 31, 2017	**24.34**

3A. INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Software (Refer Note below)	Trademark and Copyright	Total
Gross carrying amount			
Deemed cost as at April 01, 2015	**2,873.35**	**0.10**	**2,873.45**
Additions	192.25	–	192.25
Disposals	–	–	–
Balance as at March 31, 2016	**3,065.60**	**0.10**	**3,065.70**
Additions	624.13	–	624.13
Disposals	2.62	–	2.62
Balance as at March 31, 2017	**3,687.11**	**0.10**	**3,687.21**
Accumulated Amortisation			
Balance as at April 01, 2015	–	–	–
Additions	1,534.58	0.10	1,534.68
Disposals	–	–	–
Balance as at March 31, 2016	**1,534.58**	**0.10**	**1,534.68**
Additions	982.84	–	982.84
Disposals	0.62	–	0.62
Balance as at March 31, 2017	**2,516.80**	**0.10**	**2,516.90**
Net carrying amount			
Balance as at April 01, 2015	**2,873.35**	**0.10**	**2,873.45**
Balance as at March 31, 2016	**1,531.02**	–	**1,531.02**
Balance as at March 31, 2017	**1,170.31**	–	**1,170.31**

The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

3B. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in Lakhs

April 01, 2015	**228.45**
March 31, 2016	**272.47**
March 31, 2017	**12.05**

Note: The office equipment and computer software include assets under the Price Dissemination Project as follows:

₹ in Lakhs

Particulars	Office Equipments- (Tangible)	Computer Software- (Intangible)	Total
Gross carrying amount			
Deemed cost as at April 01, 2015	**7.52**	**0.39**	**7.91**
Additions	–	–	–
Deletions	–	–	–
Balance as at March 31, 2016	**7.52**	**0.39**	**7.91**
Additions	–	–	–
Deletions	–	–	–
Balance as at March 31, 2017	**7.52**	**0.39**	**7.91**
Accumulated depreciation/amortisation			
Balance as at April 01, 2015	–	–	–
Additions	6.87	0.29	7.16
Deletions	–	–	–
Balance as at March 31, 2016	**6.87**	**0.29**	**7.16**
Additions	0.65	0.10	0.75
Deletions	–	–	–
Balance as at March 31, 2017	**7.52**	**0.39**	**7.91**
Net carrying amount			
Balance as at April 01, 2015	**7.52**	**0.39**	**7.91**
Balance as at March 31, 2016	**0.65**	**0.10**	**0.75**
Balance as at March 31, 2017	–	–	–

4. NON-CURRENT INVESTMENTS

₹ In Lakhs

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A.	**Investment in equity instruments :**			
	(i) of other entities - FVTOCI			
	500 (as at 31 March 2016: 500 & as at 01 April 2015: 500) Class B Shares of USD 1,000 each fully paid-up in Dubai Gold and Commodities Exchange DMCC	**486.49**	**1,206.38**	**1,569.89**
B.	**Investment in mutual funds - FVTPL**			
	NIL (as at 31 March 2016: NIL & as at 01 April 2015: 5,000,000) Units of ₹10/- each in DSP BlackRock FMP Series 104 12 M Direct Growth	–	–	583.05
	5,000,000 (as at 31 March 2016: 5,000,000 & as at 01 April 2015 NIL) Units of ₹10/- each in Reliance Interval Fund - IV - Series 3 - Direct Growth	579.36	529.76	–
	5,000,000 (as at 31 March 2016: 5,000,000 & as at 01 April 2015 NIL) Units of ₹10/- each in SBI Debt Fund Series - B - 29 (1200 days) - Direct Growth	560.49	511.75	–
	5,000,000 (as at 31 March 2016: 5,000,000 & as at 01 April 2015 NIL) Units of ₹10/- each in UTI Fixed Term Income Fund Series XXIII - XI (1100 days) - Direct Growth	561.01	511.51	–
	10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in ICICI Pru FMP Series 80 Growth Plan G - Direct Growth	1,003.46	–	–
	10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in ICICI Pru FMP Series 80 plan J -Direct Growth	1,008.09	–	–
	6,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in Birla Sun life FMP Series OG 1146 days - Direct Growth	602.90	–	–
	5,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in Birla Sun life FMP Series OI-Direct Growth	503.06	–	–
	10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in DSP Blackrock FMP Series 204 37M - Direct Growth	1,006.84	–	–
	10,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in Kotak FMP Series 200 - 1158 days - Direct Growth	1,006.23	–	–
	6,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in Reliance FHF XXXIII Series 1 FMP - Direct Growth	604.53	–	–
	5,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in Reliance FHF XXXIII Series 4 FMP - Direct Growth	503.17	–	–
	5,000,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹10/- each in UTI FFTIF Series XXVI - VI - Direct Growth	502.73	–	–
		8,441.87	**1,553.02**	**583.05**

₹ In Lakhs

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
C.	**Investment in Tax Free Bonds - FVTPL**			
	400 (as at 31 March 2016: 400 & as at 01 April 2015 NIL) Units of ₹100,000/- each in 7.19% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 31 July 2025)	4,739.72	4,025.66	–
	500 (as at 31 March 2016: 500 & as at 01 April 2015 NIL) Units of ₹100,000/- each in 7.11% National Highway Authority of India Tax free bonds (Maturity Date 18 September 2025)	5,921.52	5,776.53	–
	440 (as at 31 March 2016: 300 & as at 01 April 2015 NIL) Units of ₹100,000/- each in 7.07% Housing and Urban Development Corporation Ltd. Tax free bonds (Maturity Date 01 October 2025)	5,138.60	3,006.63	–
	62,457 (as at 31 March 2016: 62,457 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.11% NTPC Ltd. Tax free bonds (Maturity Date 05 October 2025)	739.65	723.33	–
	25,670 (as at 31 March 2016: 25,670 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.11% Power Housing Finance Corporation Ltd. Tax free bonds (Maturity Date 17 October 2025)	304.49	297.75	–
	114,504 (as at 31 March 2016: 114,504 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.09% Rural Electrification Corporation Ltd. Tax free bonds (Maturity Date 05 November 2030)	1,405.38	1,386.24	–
	105,700 (as at 31 March 2016: 105,700 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.28% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 21 December 2030)	1,145.47	1,283.36	–
	192,849 (as at 31 March 2016: 142,849 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.35% National Highway Authority of India Tax free bonds (Maturity Date 11 January 2031)	1,950.56	1,714.22	–
	136,241 (as at 31 March 2016: 136,241 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.49% Indian Renewable Energy Development Agency Ltd. Tax free bonds (Maturity Date 21 January 2031)	1,702.09	1,655.12	–
	28,028 (as at 31 March 2016: 28,028 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.39% Housing and Urban Development Corporation Ltd. Tax free bonds (Maturity Date 08 February 2031)	346.00	344.45	–
	16,189 (as at 31 March 2016: 16,189 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.39% National Highway Authority of India Tax free bonds (Maturity Date 09 March 2031)	205.19	203.06	–
	163,244 (as at 31 March 2016: 63,244 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.39% Housing and Urban Development Corporation Ltd. Tax free bonds (Maturity Date 15 March 2031)	2,016.41	771.17	–
	178,216 (as at 31 March 2016: 28,216 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.35% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 22 March 2031)	1,963.66	286.81	–

₹ In Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
535,149 (as at 31 March 2016: 75,149 & as at 01 April 2015 NIL) Units of ₹1,000/- each in 7.35% National Bank For Agriculture And Rural Development Tax free bonds (Maturity Date 23 March 2031)	5,915.54	764.31	–
50 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹1000,000/- each in 7.38% India Infrastructure Finance Company Ltd. Tax free bonds (Maturity Date 15 Nov 2027)	596.06	–	–
50,000 (as at 31 March 2016: NIL & as at 01 April 2015 NIL) Units of ₹1,000/- each in 8.20% Housing And Urban Development Corporation Ltd. Tax free bonds (Maturity Date 05 March 2027)	564.85	–	–
	34,655.18	**22,238.64**	**–**
Total	**43,583.53**	**24,998.04**	**2,152.94**
Aggregate amount of listed and quoted investments at fair value	34,655.18	22,238.64	–
Aggregate amount of listed and quoted investments at cost	30,835.90	19,982.50	–
Aggregate amount of listed but not quoted investments at fair value	8,441.87	1,553.02	583.05
Aggregate amount of listed but not quoted investments at cost	8,200.00	1,500.00	500.00
Aggregate amount of unquoted investments at fair value	486.49	1,206.38	1,569.89
Aggregate amount of unquoted investments at cost	218.50	218.50	218.50

5. NON-CURRENT OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good:			
Capital advances	4.96	6.36	6.00
Security deposits	133.94	86.83	75.60
Prepaid expenses	74.17	201.86	562.76
Total	**213.07**	**295.05**	**644.36**

6. OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balance with government authorities	288.73	288.73	288.73
Advances for supply of services	865.40	867.25	1,685.69
Total	**1,154.13**	**1,155.98**	**1,974.42**

7. INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance income tax [net of provisions ₹67,028.84 lakhs (as at 31 March 2016 ₹62,254.44 lakhs & as at 01 April 2015 ₹57,178.54 lakhs)]	2,558.63	1,645.84	1,201.09
Total	**2,558.63**	**1,645.84**	**1,201.09**

Notes forming part of the consolidated financial statements (Contd...)

8. CURRENT INVESTMENT

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A. Investment in equity instruments			
(i) of Associate - FVTOCI			
Nil (as at 31 March 2016: Nil & as at 01 April 2015: 6,500,000) shares of ₹10/- each fully paid-up in MCX SX Clearing Corporation Limited	–	–	650
Add: Share of profit of Associate	–	–	118.88
	–	–	768.88
(ii) of Other Entities - FVTOCI			
6,500,000 (as at 31 March 2016: 6,500,000 & as at 01 April 2015: Nil) shares of ₹10/- each fully paid-up in MCX SX Clearing Corporation Limited	312.00	291.20	–
Add: Share of profit of Associate	–	–	–
	312.00	291.20	–
331,777,008 (as at 31 March 2016: 66,599,408 & as at 01 April 2015: 48,211,514) shares of ₹1/- each fully paid-up in Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited)	2,189.73	432.90	697.60
	2,501.73	**724.10**	**1,466.48**
B. Investment in warrants of other company - FVTOCI			
Nil (as at 31 March 2016: 415,917,672 & as at 01 April 2015: 582,583,504) warrants of ₹1/- each fully paid-up in Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited)	–	4,159.18	11,791.34
	–	**4,159.18**	**11,791.34**
C. Investment in mutual funds - FVTPL			
Nil (as at 31 March 2016: NIL & as at 01 April 2015: 5,000,000) Units of ₹10/- each in JPMorgan India Fixed Maturity Plan Series 302 Growth	–	–	612.68
NIL (as at 31 March 2016: 5,000,000 & as at 01 April 2015: NIL) Units of ₹10/- each in DSP BlackRock FMP Series 104 12 M Direct Growth	–	632.32	–
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 14,194,421.776) Units of ₹10/- each in Axis Short Term Fund Direct Plan Growth	–	–	2,184.62
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 150,253.333) Units of ₹1000/- each in Axis Banking Debt Fund Direct Weekly Dividend	–	–	1,513.14
NIL (as at 31 March 2016: 659,944.777 & as at 01 April 2015: NIL) Units of ₹1000/- each in Axis Liquid Fund Direct Plan Daily Dividend	–	6,603.68	–
NIL (as at 31 March 2016: 60,827.421 & as at 01 April 2015: NIL) Units of ₹1000/- each in Axis Treasury Advantage Fund Direct Growth	–	1,037.49	–
6,673,819.57 (as at 31 March 2016: 1,436,968.36 & as at 01 April 2015: 1,597,594.428) Units of ₹100/- each in Birla Sun Life Cash Plus - Daily Dividend - Direct Plan	6,686.83	1,439.77	1,600.71

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 4,416,889.070) Units of ₹10/- each in Birla Sun Life Short Term Fund Growth - Direct Plan	–	–	2,316.61
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 2,316,174.832) Units of ₹100/- each in Birla Sun Life Savings Fund Daily Dividend Direct Plan*	–	–	2,323.06
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 720,694.661) Units of ₹100/- each in Birla Sun Life Treasury Optimizer Monthly Dividend Direct Plan*	–	–	755.96
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 2,456,163.082) Units of ₹10/- each in Birla Sun Life Govt Securities Long Term Growth Direct Plan	–	–	1,031.27
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 4,342,011.567) Units of ₹10/- each in Birla Sun Life Dynamic Bond Fund Dir Growth	–	–	1,071.07
1,754,457.432 (as at 31 March 2016: 1,754,457.432 & as at 01 April 2015: NIL) Units of ₹10/- each in Birla Sun Life Income Plus Dir Growth	1,325.32	1,184.46	–
281,824.67 (as at 31 March 2016: 265,441.57 & as at 01 April 2015: 249993.37) units of ₹10/- each in Birla Sun Life Short Term Fund Monthly Dividend Reinvestment	33.26	31.25	29.58
33,749.27(as at 31 March 2016: 32,143.16 & as at 01 April 2015: 30,468.50) units of ₹100/- each in Birla Sun Life Cash Plus Weekly Dividend Direct Plan Reinvestment	33.83	32.22	30.54
Nil (as at 31 March 2016 Nil & as at 01 April 2015: 110,021.774) Units of ₹1000/- each in DSP BlackRock Liquidity Fund Direct Plan Daily Dividend	–	–	1,100.88
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 4,446,716.386) Units of ₹10/- each in DSP BlackRock Short Term Fund Direct Plan Growth	–	–	1,073.26
Nil (as at 31 March 2016 Nil & as at 01 April 2015: 139,861.803) Units of ₹1000/- each in DSP BlackRock Money Manager Fund Direct Plan Growth	–	–	2,672.35
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 20,572,122.845) Units of ₹10/- each in DWS Ultra Short Term Fund Direct Plan - Daily Dividend Reinvestment*	–	–	2,060.89
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 13,437,373.188) Units of ₹10/- each in HDFC Floating Rate Income Fund Short Term Plan Direct Plan WP Growth	–	–	3,222.93
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 6,977,206.782) Units of ₹10/- each in HDFC Short Term Opportunities Fund Direct Plan Growth	–	–	1,066.19
8,501,232.68 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in HDFC Arbitrage Fund WP Direct Growth	1,054.83	–	–
3,351,468.50 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in HDFC Medium Term Opportunities Fund Direct Plan Growth	609.21	–	–
10,463,703.993 (as at 31 March 2016: 10,463,703.993 & as at 01 April 2015: 3,585,848.806) Units of ₹10/- each in HDFC Gilt Fund Long Term Plan Direct Growth	3,590.78	3,205.44	1,027.22
2,121,553.98 (as at 31 March 2016: 2,121,553.98 & as at 01 April 2015: 2,121,547.711) Units of ₹10/- each in HDFC High Interest Fund Dynamic Plan Direct Growth	1,243.10	1,111.71	1,041.85
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 7,457,475.666) Units of ₹10/- each in HDFC High Interest Fund Short Term Plan Direct Growth	–	–	2,079.38

Notes forming part of the consolidated financial statements (Contd...)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
444,617.77 (as at 31 March 2016: 784,227.49 & as at 01 April 2015: NIL) Units of ₹10/- each in HDFC Liquid Fund Direct Daily Dividend Reinvestment*	4,534.30	7,997.71	–
50,731.85 (as at 31 March 2016: 48,371.875 & as at 01 April 2015: NIL) Units of ₹1000/- each in HDFC Liquid Fund Direct Weekly Dividend Reinvestment	523.50	499.43	–
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 10,658,933.034) Units of ₹10/- each in ICICI Prudential Banking & PSU Debt Fund Direct Plan Weekly Dividend*	–	–	1,108.73
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 2,441,358.567) Units of ₹10/- each in ICICI Prudential Blended Plan A Direct Growth	–	–	525.44
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 12,995,730.494) Units of ₹10/- each in ICICI Prudential Dynamic Bond Fund Direct Plan Growth	–	–	2,060.59
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 22,555,112.572) Units of ₹10/- each in ICICI Prudential Short Term Direct Plan Monthly Dividend*	–	–	2,760.52
NIL (as at 31 March 2016 Nil & as at 01 April 2015: 14,924,108.076) Units of ₹10/- each in ICICI Prudential Ultra Short Term Fund Dir Growth	–	–	2,136.36
25,986,964.67 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Prudential Income Opportunity Fund Dir Gr	6,061.77	–	–
2,639,455.639 (as at 31 March 2016: 2,639,455.639 & as at 01 April 2015: 2,639,455.639) Units of ₹10/- each in ICICI Prudential Equity Arbitrage Fund Direct Plan Growth	587.16	547.90	510.75
2,615,792.41 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Prudential Short Term Direct Growth	916.33	–	–
2,262,853.75 (as at 31 March 2016: 8,166,432.38 & as at 01 April 2015: NIL) Units of ₹100/- each in ICICI Prudential Money Market Fund Dir Daily Dividend Reinvestment*	2,266.10	8,178.15	–
NIL (as at 31 March 2016: 29,732,928.009 & as at 01 April 2015: NIL) Units of ₹10/- each in ICICI Prudential Ultra Short Term Fund Dir Daily Dividend Reinvestment	–	3,004.93	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 2,843,720.496) Units of ₹10/- each in IDFC Arbitrage Fund Dir Growth	–	–	526.08
NIL (as at 31 March 2016: 3,136,979.34 & as at 01 April 2015: 2,843,720.496) Units of ₹10/- each in IDFC Arbitrage Plus Fund Direct Plan Growth	–	544.66	511.58
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 10,716,154.083) Units of ₹10/- each in IDFC Ultra Short Term Fund Growth (Direct Plan)	–	–	2,099.21
15,545,405.43 (as at 31 March 2016: 15,545,405.43 & as at 01 April 2015: 4,228,712.961) Units of ₹10/- each in IDFC Dynamic Bond Fund Dir Growth	3,256.96	2,854.34	731.96
NIL (as at 31 March 2016: 400,043.13 & as at 01 April 2015: 130,573.724) Units of ₹1,000/- each in IDFC Cash Fund Daily Dividend (Direct Plan)	–	4,005.94	1,306.63
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 6,086,205.008) Units of ₹10/- each in IDFC Govt Securities Fund Investment Plan Dir Growth	–	–	1,030.28
273,355.62 (as at 31 March 2016: 324,583.38 & as at 01 April 2015: NIL) Units of ₹1000/- each in IDFC Cash Fund Weekly Dividend (Direct Plan)*	2,752.58	3,268.42	–

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 34,205,028.719) Units of ₹10/- each in JPMorgan India Treasury Fund Direct Daily Dividend Reinvestment *	–	–	3,447.52
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 6,508,552.238) Units of ₹10/- each in JPMorgan India Active Bond Fund Direct Plan Growth	–	–	1,010.10
54,490,468.70 (as at 31 March 2016: NIL & as at 01 April 2015: NIL) Units of ₹10/- each in IDFC Corporate Bond Fund Direct Growth	6,111.60	–	–
(27,715,553.24 as at 31 March 2016: 14,447,515.63 & as at 01 April 2015: 9,830,811.730) Units of ₹10/- each in Kotak Bond (Short Term) Direct Monthly Dividend Pay-out	2,886.49	4,152.50	1,008.64
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 2,555,564.358) Units of ₹ 10/- each in Kotak Bond Scheme Plan A Direct Growth	–	–	1,035.54
4,409,890.50 (as at 31 March 2016: NIL & as at 01 April 2015: 2,545,643.386) Units of ₹10/- each in Kotak Equity Arbitrage Fund Dir Growth	1,054.94	–	530.98
4,665,593.58 (as at 31 March 2016: NIL & as at 01 April 2015:NIL) Units of ₹10/- each in Kotak Flexi debt Fund Direct Plan Growth	1,005.41	–	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 11,354,768.979) Units of ₹10/- each in Kotak Floater Long Term DDR	–	–	2,541.69
217,513.72 (as at 31 March 2016: 257,268.8841 & as at 01 April 2015: nil) Units of ₹1000/- each in Kotak Floater Short Term Direct Daily Dividend Reinvestment	2,200.41	2,602.58	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 2,777,862.657) Units of ₹10/- each in L&T Triple Ace Bond Fund Growth	–	–	1,028.55
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 18,094,521.533) Units of ₹10/- each in L&T Ultra Short Term Fund Direct Plan Growth	–	–	4,126.78
88,922.24 (as at 31 March 2016: 59,422.78 & as at 01 April 2015: NIL) Units of ₹1000/- each in L&T Liquid Fund Dir Daily Dividend Reinvestment	900.68	601.86	–
6,562,526.66 (as at 31 March 2016: NIL & as at 01 April 2015: nil) Units of ₹10/- each in LIC MF Bond Fund Dir gr	2,987.67	–	–
27,453.73 (as at 31 March 2016: NIL & as at 01 April 2015: nil) Units of ₹ 1000/- each in LIC MF Liquid Fund DDR	301.44	–	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 3,564,045.905) Units of ₹10/- each in Reliance Arbitrage Fund Dir Growth	–	–	530.53
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 5,535,688.584) Units of ₹10/- each in Reliance Dynamic Bond Fund Dir Growth	–	–	1,068.09
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 4,173,024.033) Units of ₹10/- each in Reliance Short Term Fund Direct Growth Plan	–	–	1,108.00
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 11,672,255.302) Units of ₹10/- each in Reliance Floating Rate Fund Short Term Plan Direct Growth	–	–	2,599.80
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 5,618,331.485) Units of ₹10/- each in Reliance Gilt Securities Fund Direct Growth	–	–	1,035.32

Notes forming part of the consolidated financial statements (Contd...)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 15,422,174.803) Units of ₹10/- each in Reliance Medium Term Fund Direct Monthly Dividend Plan*	–	–	1,661.99
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 220,168.829) Units of ₹1000/- each in Reliance Money Manager Fund Daily Direct Dividend Plan*	–	–	2,207.71
NIL (as at 31 March 2016: 252,165.042 & as at 01 April 2015: nil) Units of ₹1000/- each in Reliance Liquid Fund Cash plan Direct Daily Dividend Reinvest	–	2,809.50	–
17,468,774.57 (as at 31 March 2016: NIL & as at 01 April 2015: nil) Units of ₹10/- each in Reliance Banking & PSU Debt Fund Direct Growth	2,066.89	–	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 199,087.848) Units of ₹1000/- each in Religare Invesco Short Term Fund - Direct Plan - Growth	–	–	3,795.83
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 122,972.340) Units of ₹1000/- each in Religare Invesco Ultra Short Term Fund - Direct Plan Growth	–	–	2,387.42
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 309,931.220) Units of ₹1000/- each in Religare Invesco Liquid Fund - Direct Plan Daily Dividend	–	–	3,101.76
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 31729.50) units of ₹1000/- each in Religare Short Term Plan A Daily Dividend	–	–	322.23
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 31,131,854.776) Units of ₹10/- each in SBI Short Term Debt Fund - Direct Plan - Growth	–	–	5,026.49
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 17,733,742.622) Units of ₹10/- each in SBI Dynamic Bond Fund Direct Growth	–	–	3,088.83
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 199,187.009) Units of ₹1000/- each in SBI Magnum Insta Cash Fund Liquid Floater Direct Plan Daily Dividend	–	–	2,011.61
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 129,870.24) Units of ₹1000/- each in SBI Treasury Advantage Fund Direct Plan Growth	–	–	2,026.84
620,385.88 (as at 31 March 2016: 836,555.75 & as at 01 April 2015: nil) Units of ₹ 1000/- each in SBI Premier Liquid Fund Dir Daily Dividend Reinvest*	6,224.02	8,392.75	–
NIL (as at 31 March 2016: 93,929.737 & as at 01 April 2015: nil) Units of ₹1000/- each in SBI Ultra Short Term Debt Fund Dir Daily Dividend Reinvest	–	945.02	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 15,594,629.594) Units of ₹10/- each in Sundaram Ultra Short Term Debt Fund Direct Growth	–	–	3,011.18
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 19,803,544.724) Units of ₹10/- each in Sundaram Money Fund Direct Plan Daily Dividend	–	–	2,000.65
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 7,967,998.607) Units of ₹10/- each in Sundaram Select Debt STAP Direct Weekly Dividend	–	–	1,060.57
NIL (as at 31 March 2016: 555,331.56 & as at 01 April 2015: nil) Units of ₹ 1000/- each in Tata Money Market Fund Direct Plan Daily Dividend	–	5,561.75	–
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 7,739,471.322) Units of ₹10/- each in Tata Short Term Bond Fund Direct Plan Growth	–	–	2,046.66

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 29,354,621.732) Units of ₹10/- each in Templeton India Ultra Short Term Bond Fund - Direct - Growth	–	–	5,449.92
5,930,728.195 (as at 31 March 2016 : 5,930,728.195 & as at 01 April 2015 : 5,930,692.767) Units of ₹10/- each in UTI Bond Fund Direct Plan Growth	3,083.33	2,695.84	2,543.90
3,303,845.943 (as at 31 March 2016 : 3,303,845.943 & as at 01 April 2015 : 3,304,841.046) Units of ₹10/- each in UTI Dynamic Bond Fund Direct Plan Growth	650.05	563.38	527.48
14,056,710.392 (as at 31 March 2016 : 14,056,710.392 & as at 01 April 2015 : 6,047,119.152) Units of ₹10/- each in UTI Short Term Income Fund Institutional Option - Direct Growth	2,856.75	2,590.65	1,026.47
NIL (as at 31 March 2016: NIL & as at 01 April 2015 : 15,000,000.000) Units of ₹10/- each in UTI Banking & PSU Debt Fund Direct Plan Monthly Dividend	–	–	1,513.20
NIL (as at 31 March 2016: NIL & as at 01 April 2015 : 369,301.403) Units of ₹1000/- each in UTI Money Market Fund Institutional Plan Direct Daily Dividend	–	–	3,705.52
NIL (as at 31 March 2016: NIL & as at 01 April 2015 : 15,735,947.099) Units of ₹10/- each in UTI Short Term Income Fund Institutional Option - Direct Monthly Dividend Plan*	–	–	1,662.38
NIL (as at 31 March 2016: NIL & as at 01 April 2015 : 120,571.403) Units of ₹1000/- each in UTI Treasury Advantage Fund - Direct Plan - Daily Dividend*	–	–	1,208.55
90,880.92 (as at 31 March 2016 : NIL & as at 01 April 2015: nil) Units of ₹1000/- each in UTI Money Market Fund Direct Daily Dividend	911.89	–	–
453,143.13 (as at 31 March 2016 : 398,340.49 & as at 01 April 2015: nil) Units of ₹1000/- each in UTI Liquid Cash Plan - Direct Plan - Daily Dividend Reinvestment*	4,619.04	4,060.87	–
3,521,136.91(as at 31 March 2016: 3,342,110.75 & as at 01 April 2015:NIL) units of ₹10/- each in UTI Short Term Income Fund Direct Monthly Dividend	383.15	356.60	–
3,988.72(as at 31 March 2016: 3,767.05 & as at 01 April 2015: 3,941.44) units of ₹1000/- each in UTI Treasury Advantage Fund Monthly Dividend Reinvestment	41.18	38.94	40.62
NIL (as at 31 March 2016: NIL & as at 01 April 2015: 1,976,905.78) units of ₹10/- each in UTI Short Term Income Fund IP Direct Growth	–	–	335.48
	73,760.80	**81,552.06**	**116,957.15**
Total	**76,262.53**	**86,435.34**	**130,214.97**

* Earmarked towards the Settlement Guarantee Fund - aggregate value ₹11,470.06 lakhs (as at 31 March 2016: ₹13,775.85 lakhs & as at 31 March 2015: ₹19,197.32 lakhs)

Aggregate amount of listed but not quoted investments at fair value	73,760.80	81,552.06	116,957.15
Aggregate amount of listed but not quoted investments at cost	70,826.45	80,511.72	115,537.39
Aggregate amount of unquoted investments at fair value	2,501.73	4,883.28	13,257.82
Aggregate amount of unquoted investments at cost	7,086.98	10,137.90	13,257.82

Notes forming part of the consolidated financial statements (Contd...)

₹ in Lakhs

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
9.	**TRADE RECEIVABLES**			
	Secured, considered good *	240.61	383.58	1,023.50
	Unsecured, considered good	40.73	35.55	41.93
	Doubtful	1,436.23	1,597.98	1,650.82
		1,717.57	2,017.11	2,716.25
	Less: Provision for doubtful trade receivables	(1,436.23)	(1,597.98)	(1,650.82)
	Total	**281.34**	**419.13**	**1,065.43**
	* secured by cash margins / bank guarantees / fixed deposit receipts and hypothecation of movables such as commodities, etc. from members.			
10.	**CASH AND CASH EQUIVALENTS**			
	Balances with banks			
	– in current accounts	405.91	2,043.81	3,437.72
	– bank deposits with original maturity of three months or less	–	31.57	67.70
	Cheques on hand	1.64	2.31	4.19
	Total	**407.55**	**2,077.69**	**3,509.61**
11.	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**			
	Bank deposits with original maturity of more than three months*	38,438.09	47,900.71	23,027.52
	In earmarked accounts			
	– unpaid dividend accounts	37.21	35.61	22.95
	– other earmarked accounts	17.32	17.32	3.24
	Total	**38,492.62**	**47,953.64**	**23,053.71**

* Bank deposits include:

(a) Deposits which are earmarked for Settlement Guarantee Fund ₹5,131.47 lakhs (as at 31 March 2016: ₹4,929.10 lakhs, as at 01 April 2015: Nil) out of which deposits of ₹Nil (as at 31 March 2016: ₹4,129.10 lakhs, as at 01 April 2015: Nil) are under lien.

(b) Deposits other than note (a) which are under lien with banks for overdraft facilities and bank guarantee – ₹21,104.17 lakhs (as at 31 March 2016: ₹22,332.17 lakhs, as at 01 April 2015: ₹23,027.52 lakhs)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
12. LOANS			
Loans and advances to employees	34.86	33.38	27.55
Total	**34.86**	**33.38**	**27.55**
13. CURRENT OTHER FINANCIAL ASSETS			
Unsecured, considered good			
Security deposits	300.00	300.00	300.00
Total	**300.00**	**300.00**	**300.00**
14. OTHER CURRENT ASSETS			
(a) Secured, considered good			
Unbilled revenue*	1,997.22	1,838.07	1,700.34
(b) Unsecured, considered good (unless stated otherwise)			
Interest accrued but not due on fixed deposits**	3,079.30	1,529.11	849.48
Interest accrued but not due on Tax free Bonds	1,170.58	612.40	–
Other Receivables	11.88	59.30	103.25
Prepaid expenses	841.01	1,082.52	991.42
Balance with government authorities	185.32	145.11	218.61
Advances for supply of services other than capital advances	1,143.39	1,081.35	1,779.61
Other loans and advances	17.01	17.96	18.81
	6,448.49	4,527.75	3,961.18
(c) Unsecured, considered doubtful			
Other loans and advances	2.91	21.09	1,229.13
Other recoverable	325.86	347.62	317.52
Less: Provision	(328.77)	(350.53)	(321.98)
	–	18.18	1,224.67
Total	**8,445.71**	**6,384.00**	**6,886.19**

* Secured by cash margins/bank guarantees/fixed deposit receipts and hypothecation of movables such as commodities, etc. from members.

** Includes interest of ₹311.86 lakhs (as at 31 March 2016: ₹146.30 lakhs at 01 April 2015: Nil) on fixed deposits which are earmarked for Settlement Guarantee Fund.

Notes forming part of the consolidated financial statements (Contd...)

15. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
Authorized						
Equity shares of ₹10/- each 7,00,00,000 equity shares	70,000,000	7,000.00	70,000,000	7,000.00	70,000,000	7,000.00
Issued						
Equity shares of ₹10/- each 5,09,98,369 equity shares	50,998,369	5,099.84	50,998,369	5,099.84	50,998,369	5,099.84
Subscribed and Paid-Up						
Equity shares of ₹10/- each 5,09,98,369 equity shares fully paid-up	50,998,369	5,099.84	50,998,369	5,099.84	50,998,369	5,099.84
	50,998,369	**5,099.84**	**50,998,369**	**5,099.84**	**50,998,369**	**5,099.84**

a. Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting year :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares held	Amount ₹ in Lakhs	Number of shares held	Amount ₹ in Lakhs	Number of shares held	Amount ₹ in Lakhs
Opening Balance at the beginning of the reporting year	50,998,369	5,099.84	50,998,369	5,099.84	50,998,369	5,099.84
Shares issued during the reporting year	–	–	–	–	–	–
Closing balance at the end of the reporting year	**50,998,369**	**5,099.84**	**50,998,369**	**5,099.84**	**50,998,369**	**5,099.84**

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. 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 in the proportion of equity shares held.

c. Details of shares held by each shareholder holding more than 5% Shares:

Name of Shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Kotak Mahindra Bank Limited	7,649,755	15.00%	7,649,755	15.00%	7,649,755	15.00%

d. For particulars of options granted under Employee Stock Option Schemes, refer note 37 on ESOP.

16. OTHER EQUITY

Particulars	Other Equity					
	Reserves and Surplus				Other Comprehensive Income	Total Other Equity
	Securities Premium Reserve	Retained Earnings	ESOP Compensation Reserve	General Reserve	Equity Instruments through Other Comprehensive Income	
As at April 01, 2015	**21,684.17**	**84,055.21**	**119.75**	**16,449.38**	**1,159.45**	**123,467.96**
Profit for the year		11,462.52				11,462.52
Dividend		(5,099.84)				(5,099.84)
Dividend distribution tax		(1,038.21)				(1,038.21)
Equity instruments through other comprehensive income					(4,555.55)	(4,555.55)
Reclassified to retained earning on disposal		(881.69)			881.69	–
Impact on account of deemed disposal					(118.88)	(118.88)
ESOP Compensation Reserve			163.73			163.73
Re-measurement of employee benefits obligation		(69.61)				(69.61)
Others		29.16				29.16
As at March 31, 2016	**21,684.17**	**88,457.55**	**283.48**	**16,449.38**	**(2,633.29)**	**124,241.29**
Profit for the year		12,658.91				12,658.91
Dividend		(3,314.89)				(3,314.89)
Dividend distribution tax		(674.85)				(674.85)
Equity instruments through other comprehensive income					(1,796.96)	(1,796.96)
Reclassified to retained earning on disposal		(1,095.20)			1,095.20	–
ESOP Compensation Reserve			115.63			115.63
Re-measurement of employee benefits obligation		(61.89)				(61.89)
Others		(28.67)				(28.67)
As at March 31, 2017	**21,684.17**	**95,940.95**	**399.11**	**16,449.38**	**(3,335.05)**	**131,138.56**

Note:

Equity instruments through other comprehensive income - This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Notes forming part of the consolidated financial statements (Contd...)

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
17. SETTLEMENT GUARANTEE FUND (SGF)			
Opening balance (cash component)	18,823.67	18,746.85	17,199.77
Add/(Less): Base minimum capital (BMC)	(2,809.43)	144.25	(170.60)
Add: Settlement related penalties (Net of Tax)	77.51	83.31	59.76
Less: Appropriation of dues of defaulting members	–	(1,208.75)	–
Add: Income from earmarked investments (Net of Tax)	863.24	1,058.01	1,657.92
Expelled members deposits transferred to SGF	46.73	–	–
Fixed Deposit Receipt invoked of Expelled members	47.74	–	–
Total	**17,049.46**	**18,823.67**	**18,746.85**

Notes:

(i) In addition to the cash component of Base Minimum Capital, the amount of bank guarantees / fixed deposits receipts (Non cash component) forming part of SGF as at March 31, 2017 aggregate ₹5,560.07 lakhs (as at March 31, 2016 ₹7,382.86 lakhs & at March 31, 2015 ₹8,159.83 lakhs).

(ii) As at March 31, 2017, SGF does not include Base Minimum Capital of Non-SEBI registered members. SGF Includes Base Minimum Capital (Cash component) of 606 members aggregating to ₹2,662.80 lakhs who have not applied for registration with SEBI as at March 31, 2016 and Base Minimum Capital (Non cash component) comprising of bank guarantees/fixed deposits receipts as at March 31, 2016 aggregate ₹1,682.31 lakhs.

(iii) In accordance with the regulatory guidelines, the Company has conducted stress test at the end of the current financial year to determine adequacy of the Settlement Guarantee Fund (SGF). The SGF being adequate, no fresh contributions from the profits have been made during the current financial year.

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
18. OTHER NON-CURRENT FINANCIAL LIABILITIES			
Trade / Security deposits from			
– Settlement bankers	1,900.00	1,900.00	1,900.00
– Members	1,412.53	138.20	349.20
Total	**3,312.53**	**2,038.20**	**2,249.20**
19. NON-CURRENT PROVISIONS			
Provision for Compensated absences	142.43	123.65	101.16
Total	**142.43**	**123.65**	**101.16**
20. OTHER CURRENT FINANCIAL LIABILITIES			
Amount received from members and applicants towards			
– Trading Margin from Members	20,318.21	24,725.29	23,893.28
– Members' Security Deposits	971.82	783.90	986.06
– Application Money (pending admission)	104.55	110.53	98.03
– Networking Equipment Deposits	28.81	34.58	37.25
– Security deposits from Depository participants	61.95	313.00	376.00
Total	**21,485.34**	**25,967.30**	**25,390.62**

₹ in Lakhs

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
21.	**OTHER CURRENT LIABILITIES**			
	Statutory remittances	2,348.95	6,098.61	4,767.85
	Payable to Multi Commodity Exchange Investor (Client) Protection Fund (IPF)	359.13	222.79	265.64
	Payable to employees	39.61	42.36	46.75
	Amount received from members and applicants	1,081.61	911.64	1,275.20
	Income received in advance	81.50	56.96	55.95
	Unclaimed dividends *	37.21	35.61	22.96
	Payable for purchase of fixed assets	416.17	41.15	96.24
	Total	**4,364.18**	**7,409.12**	**6,530.59**
	* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.			
22.	**CURRENT PROVISIONS**			
	Provision for Compensated absences	110.72	68.10	59.90
	Provision for Gratuity (Refer Note 36)	116.40	51.09	48.29
	Total	**227.12**	**119.19**	**108.19**
23.	**INCOME TAX LIABILITIES (NET)**			
	Provision for tax [net of advance tax ₹3,730.77 lakhs (as at 31 March 2016 : ₹4,285.39 lakhs and as at April 01, 2015: ₹4,104.27 lakhs)]	364.16	489.00	1,009.42
	Total	**364.16**	**489.00**	**1,009.42**

Notes forming part of the consolidated financial statements (Contd...)

₹ in Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
24. REVENUE FROM OPERATIONS		
Sale of Services		
Transaction fees	23,303.67	20,288.19
Annual subscription fees	417.57	971.03
Membership admission fees	83.13	24.70
Terminal charges	55.99	69.61
	23,860.36	21,353.53
Other operating revenues		
Connectivity Income	916.31	856.77
Other recoveries from members		
– Penalties (net of transfer to SGF)	371.33	406.42
– Others	170.46	396.35
Data feed Income	361.00	378.89
Warehouse Income	264.47	100.80
	2,083.57	2,139.23
Total	**25,943.93**	**23,492.76**
25. OTHER INCOME		
Dividend income:		
– from current investments	2,287.49	1,550.27
Interest income:		
– on bank deposits	3,268.60	2,667.13
– on Tax Free Bonds	1,780.91	624.19
– from Others	6.40	77.00
	5,055.91	3,368.32
Net gain on sale of:		
– current investments	293.44	4,224.54
– long-term investments	200.64	313.02
	494.08	4,537.56
Gain/(loss) on fair valuation of Mutual Funds	2,081.95	(404.95)
Gain on fair valuation of Bonds	1,562.75	2,256.17
Rental income from operating lease	–	184.00
Provisions/Liability no longer required written back	173.22	167.72
Income from sale of fixed assets	0.34	–
Miscellaneous income	34.64	31.65
Total	**11,690.38**	**11,690.74**

₹ in Lakhs

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
26. EMPLOYEE BENEFITS EXPENSE			
Salaries and wages		5,962.44	3,755.02
Contribution to provident and other funds		246.51	199.88
Staff welfare expenses		120.97	74.18
Share based payment to employee		111.93	163.73
	Total	**6,441.85**	**4,192.81**
27. FINANCE COSTS			
Interest expenses on:			
– delayed/deferred payment of tax		–	3.10
– Others		19.68	26.91
	Total	**19.68**	**30.01**
28. OTHER EXPENSES			
Software support charges		4,263.48	3,736.00
Communication expenses		1,235.76	1,151.33
Advertisement		362.80	1,917.03
Electricity		317.88	301.91
Rent		261.84	175.61
Repairs and maintenance – Software		456.96	401.26
Repairs and maintenance – others		497.83	509.68
Insurance		55.81	55.37
Rates and taxes		34.86	23.43
Travelling and conveyance		352.90	222.87
Printing and stationery		42.93	39.44
Business promotion		76.92	18.40
CSR expenses		328.85	296.90
Legal and Professional Charges		594.07	596.97
Product License fees		745.24	642.08
Sponsorships and Seminar expenses		289.84	210.78
Software license fees		173.62	112.30
Outsourced service charges		159.78	228.64
Membership fees and subscriptions		89.06	72.45
Security service charges		106.19	83.94
Loss on Winding up of Subsidiary		–	0.27
Provision for doubtful advances		56.00	28.57
Provision for doubtful trade receivables		19.88	254.58
Bad debts written off		45.15	14.30
SEBI – Exchange regulatory fees		391.94	212.00

Notes forming part of the consolidated financial statements (Contd...)

₹ in Lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Payment to the auditors		
– For audit	18.09	16.11
– For other services	11.50	2.95
– Reimbursement of out of pocket expenses	0.65	0.25
Contribution to Multi Commodity Exchange Investor (Client) Protection Fund (IPF)	25.00	25.00
Net loss on foreign currency transactions and translations	4.04	4.87
Loss on fixed assets sold/scrapped	–	4.37
Directors sitting fees	90.53	66.63
Office expenses	269.58	222.85
Miscellaneous expenses	160.15	123.85
Total	**11,539.13**	**11,772.99**

29. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

₹ in Lakhs

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Contingent liabilities:			
Claims against the Company not acknowledged as debts			
– Income tax demands against which the Company is in appeals (including interest upto date of order)	3,054.40	511.80	511.80
– Sales tax demands against which the Company is in appeals	1,014.97	1,443.60	–
– Others (excluding interest)	75.02	111.80	75.90
Bank guarantee given	365.00	365.00	365.00
Capital Commitments:			
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	1,241.06	96.20	641.60

In addition to the matters as specified in contingent liabilities above, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business the impact of which is unascertainable. The Company's management does not reasonably expect that the legal actions, when ultimately concluded and determined, will have adverse effect on the Company's financial statements.

Other Commitments:

The Company has commitments to pay for the services related to (i) maintenance of core network equipment and (ii) technology support and managed services based on long-term agreements, the cancellation of which may entail monetary compensation.

30. SEGMENT REPORTING

Based on the risks and returns identified, organizational structure and the internal financial reporting system, the business segment is the primary segment for the Group and accordingly "business of facilitating trading in commodities and incidental activities thereto" is considered as the only Primary Reportable business segment, as per Ind AS 108, "Operating Segments". Further, since the Group renders services only in the domestic market in India and there is no geographical segment.

31. FOREIGN CURRENCY TRANSACTIONS

₹ in Lakhs

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	April 01, 2015
Expenditure in Foreign Currency			
– License Fees	742.12	652.10	736.90
– Repairs and Maintenance – Others	5.43	22.40	40.60
– Membership and Subscription	22.05	27.40	23.50
– Sponsorship and Seminar Expenses	–	–	1.30
– Professional Charges	29.26	9.90	0.10
– Software License Fee	0.79	3.20	–
Earnings in Foreign Exchange			
– Data feed income	111.91	107.40	113.20

32. OPERATING LEASES

The Company has entered into cancellable operating lease agreements as lessee for various premises. The lease rentals recognised as an expense in the Statement of Profit and Loss during the year is as follows:

₹ in Lakhs

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	April 01, 2015
Lease rentals (Included in Rent – Note No. 28)	127.92	102.98	93.70

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ in Lakhs

Particulars	As at		
	March 31, 2017	March 31, 2016	April 01, 2015
Obligations on Non-Cancellable Lease			
Not later than 1 year	93.38	39.20	24.50
Later than 1 year but not later than 5 years	186.13	15.40	14.10
Later than 5 years	5.70	–	–

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

33. EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Weighted Average Shares Outstanding – Basic	50,831,922	50,811,661
Effect of dilutive securities on account of ESOP	29,846	18,925
Weighted Average Shares Outstanding – Diluted	50,861,768	50,830,586

Net Profit available to equity shareholders of the company used in the basic and diluted earnings per share was determined as follows:

₹ in Lakhs, except EPS

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Earnings available to equity shareholders	12,658.91	11,462.52
Earnings available for equity shareholders for diluted earnings per share	–	–
Net profit available for computing diluted earnings per share	12,658.91	11,462.52
Basic Earnings per share	24.91	22.56
Diluted Earning per share	24.89	22.55

Notes forming part of the consolidated financial statements (Contd...)

34. TAXATION

Income tax related to items charged or credited directly to profit or loss during the year :

₹ in Lakhs

Statement of profit or loss	For the year ended	
	March 31, 2017	March 31, 2016
Current income tax	4,078.80	4,615.96
Deferred tax	1,038.64	87.47
Total Income tax expense	**5,117.44**	**4,703.43**

₹ in Lakhs (as otherwise stated)

Statement of profit or loss	For the year ended	
	March 31, 2017	March 31, 2016
Reconciliation:		
Profit / (loss) before tax	17,776.35	16,165.95
Applicable tax rate	34.608%	34.608%
Computed expected tax expense	6,152.04	5,594.71
Add:		
Expenses disallowed	1,108.00	974.01
Income not considered in Profit & Loss Account	383.82	316.97
Exceptional Item	–	194.88
Less:		
IND AS Impact (Net)	(1,261.36)	(584.01)
Depreciation allowed	(630.49)	(665.75)
Loss adjusted against long term capital gain	(51.26)	(108.33)
Exempt income	(1,621.95)	(1,069.52)
Excess provision for tax relating to prior year	–	(37.00)
Income tax expense as per Profit & Loss Account	**4,078.80**	**4,615.96**

₹ in Lakhs

Particulars	Balance Sheet	
	As at March 31, 2017	As at March 31, 2016
Deferred tax relates to the following:		
Expenses allowable on payment basis	127.89	84.01
Other items giving rise to temporary differences (including impact on fair value of investments)	337.25	1,631.50
Difference between WDV of Property, Plant and Equipment as per books of accounts & Income Tax	(1,222.37)	(1,234.43)
Deferred tax asset / (liability)	**(757.23)**	**481.08**
Reconciliation of deferred tax assets / (liabilities) net:		
Opening balance as of April 01	481.08	(1,881.05)
Tax income / (expense) during the period recognized in profit & loss account	(1,038.64)	(87.47)
Differences on other comprehensive income	(199.67)	2,449.60
Closing Balance	**(757.23)**	**481.08**

35. RELATED PARTY INFORMATION

Names of related parties and nature of relationship:

Nature of relationship	Name of Related Party
Associate Company	Metropolitan Clearing Corporation of India Limited (formerly known as MCX-SX Clearing Corporation Limited) (upto 01.07.2015)
Shareholders' Directors	Mr. Amit Goela (w.e.f. 04.02.2016)
	Mrs. Madhu Vadera Jayakumar (w.e.f. 04.02.2016)
	Mrs. Padma Raghunathan* (w.e.f. 04.02.2016)
	Mr. Hemang Raja (w.e.f. 30.06.2016)
	Mr. Chengalath Jayaram (w.e.f. 25.11.2016)
	Mr. M. A. K. Prabhu* (upto 19.09.2016)
	Mr. Ajai Kumar (upto 19.09.2016)
	Mr. R. Amalorpavanathan* (upto 29.09.2015)
	* Sitting fees are paid directly to the nominee institutions
Independent Directors	Mr. Pravin Tripathi (w.e.f. 12.08.2014)
	Mr. Arun Kumar Nanda (w.e.f. 19.05.2015)
	Mr. Subrata Kumar Mitra (w.e.f. 19.05.2015)
	Dr. Govinda Marapalli Rao (w.e.f. 29.09.2015)**
	Mr. Saurabh Chandra (w.e.f. 03.07.2016)
	Mr. Prithvi Haldea (w.e.f. 25.10.2016)
	Mr. Arun Bhargava (w.e.f. 19.11.2016)
	Mr. G. Anantharaman (upto 18.10.2016)
	Mr. Satyananda Mishra (upto 18.11.2016)
Key Managerial Personnel (KMP)	Mr. Mrugank Paranjape, MD & CEO (w.e.f. 09.05.2016)
	Mr. Parveen Kumar Singhal, President and Whole Time Director (upto 31.03.2016 : Joint Managing Director)
	Mr. Ajay Puri, Company Secretary
	Mr. Sanjay Wadhwa, Chief Financial Officer (w.e.f. 27.02.2017)
	Mr. Rahi Racharla, Chief Information Officer, Technology
	Mr. Narendra Kumar Ahlawat, Chief Regulatory Officer
	Mr. V. Krishnan, Chief Regulatory Officer (upto 31.10.2016)
	Mr. Sandeep Kumar Sarawgi, Chief Financial Officer (upto 08.08.2016)
Others	
Relatives of KMPs or company in which KMP is interested and where transaction exists	(i) PHD Chamber of Commerce and Industry
	(ii) Adya IT Services Private Limited
Controlled Employee Welfare Trust	MCX ESOP Trust
MCX IPF Trust	Multi Commodity Exchange Investor (Client) Protection Fund (IPF)

** Dr. Govinda Marapalli Rao was appointed as an additional director from 08.08.2015 and his designation was changed on 29.09.2015.

Notes forming part of the consolidated financial statements (Contd...)

Transactions with related parties for the year ended March 31, 2017

₹ in Lakhs

Particulars	As at March 31, 2017						
	Associate	Others					Total
	MCCIL (upto July 01, 2015)	MCX ESOP Trust	MCX IPF	Shareholder's Directors	Independent Directors	Relatives of KMPs or company in which KMP is interested	
Re-imbursements charged to the company	–	–	0.41	0.02	0.44	–	0.87
Recoveries charged by the company	–	8.00	7.96	–	–	–	15.96
Seminar & Conference expenses	–	–	–	–	–	1.13	1.13
Dividend Paid	–	11.47	–	–	–	–	11.47
Contribution to IPF	–	–	25.00	–	–	–	25.00
Penalties / Non Compliance Charges	–	–	3,166.80	–	–	–	3,166.80
Sitting Fees Paid	–	–	–	38.70	88.95	–	127.65
Loan & advances /Deposits given:	–	–	–	–	–	–	
Balance – Opening	–	–	–	–	–	–	–
Given during the year	–	–	–	–	–	–	–
Re-paid / adjustments during the year	–	–	–	–	–	–	–
Balance – Closing	–	–	–	–	–	–	–
Investment balance as at year end	–	–	–	–	–	–	–
Full & Final settlement received on account of liquidation	–	–	–	–	–	–	–
Outstanding Balance receivable / (payable) as at March 31	–	–	219.45	–	–	–	219.45

Transactions with related parties for the year ended March 31, 2016

₹ in Lakhs

Particulars	As at March 31, 2016						
	Associate	Others					Total
	MCCIL (upto July 01, 2015)	MCX ESOP Trust	MCX IPF	Shareholder's Directors	Independent Directors	Relatives of KMPs or company in which KMP is interested	
Purchase of capital assets	–	–	–	–	–	–	–
Re-imbursements charged to the company	–	–	–	–	0.60	–	0.60
Recoveries charged by the company	–	6.70	15.97	–	–	–	22.67
Dividend Paid	–	18.60	–	–	–	–	18.60
Contribution to IPF	–	–	25.00	–	–	–	25.00
Penalties / Non Compliance Charges	–	–	4,272.28	–	–	–	4,272.28
Sitting Fees Paid	–	–	–	36.30	69.25	–	105.55
Loan & advances / Deposits given:							
Balance – Opening	–	–	–	–	–	–	–
Given during the year	–	–	–	–	–	0.50	0.50
Repaid/adjustments during the year	–	–	–	–	–	0.50	0.50
Balance – Closing	–	–	–	–	–	–	–
Investment balance as at year end	–	–	–	–	–	–	–
Full & Final settlement received on account of liquidation	–	–	–	–	–	–	–
Outstanding Balance receivable / (payable) as at March 31	–	–	222.80	–	–	–	222.80

Transactions with Key Managerial Personnel :

(₹ in Lakhs except as otherwise stated)

Nature of Transactions	For the year ended March 31, 2017	For the year ended March 31, 2016
1. Salary and Allowances paid / payable to KMPs*:		
Mr. Parveen Kumar Singhal	213.23	167.00
Mr. Mrugank Paranjape	297.03	–
Mr. Sanjay Wadhwa	5.96	–
Mr. Ajay Puri	68.10	54.30
Others	259.44	105.30
2. Dividend paid to KMPs:		
Mr. Parveen Kumar Singhal	0.36	0.65
Others	0.01	–
	In Numbers	**In Numbers**
3. Employee Stock Options (ESOP 2008):		
Opening Balance at the beginning of year	10,200	10,200
Add: Options granted during the year	–	–
Less: Exercised during the year	(10,200)	–
Closing Balance at the end of the year	–	10,200

* Excludes gratuity and long term compensated absences which are actuarially valued at Group level and where separate amounts are not identifiable.

Notes:

1. There are no amounts written off or written back during the year in respect of debts due from or to related parties.
2. KMPs as on the respective dates are considered.

36. EMPLOYEE BENEFIT PLANS:

a. Post employment defined benefit plans:

The Group makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2017 and March 31, 2016.

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2017	**March 31, 2016**
Change in benefit obligations		
Present Value of Benefit obligation at the beginning of the period	400.60	334.62
Current Service Cost	61.21	50.28
Interest Cost	32.29	26.77
Gains / Losses on Curtailment	–	–
Transfer of obligation	–	–
Remeasurements – Actuarial (gains) / losses	92.81	25.74
Benefits paid from the Fund	(20.94)	(36.81)
Present Value of Benefit obligations at the end of the period	**565.97**	**400.60**

Notes forming part of the consolidated financial statements (Contd...)

₹ in Lakhs

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Change in plan assets		
Fair value of plan assets at the beginning of the period	349.50	286.34
Interest Income	28.17	22.91
Transfer of assets	–	–
Remeasurements – Return on plan assets excluding amounts included in interest income	(1.83)	(0.60)
Contributions by the employer	94.67	77.67
Benefits paid from the fund	(20.94)	(36.81)
Fair value of plan assets at the end	**449.57**	**349.51**
Funded Status - Excess of obligation over plan assets	**(116.40)**	**(51.09)**

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the Statement of Profit and Loss under employee benefits expenses.

₹ in Lakhs

Recognized in Profit and Loss	For the year ended	
	March 31, 2017	March 31, 2016
Current Service Cost	61.21	50.28
Net Interest Cost	4.12	3.86
Gains/Losses on Curtailment	–	–
Expenses Recognized	**65.33**	**54.14**

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in statement of other comprehensive income:

₹ in Lakhs

Recognized in Other Comprehensive Income	For the year ended	
	March 31, 2017	March 31, 2016
Actuarial (gains) / losses on obligation for the period	92.81	25.74
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	1.83	0.60
Change in Asset Ceiling	–	–
Net (Income) / Expense for the period recognized in OCI	**94.64**	**26.34**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2017 and March 31, 2016 are set out below:

Weighted Average Actuarial Assumptions	As at	
	March 31, 2017	March 31, 2016
Discount rate	7.29%	8.06%
Weighted average rate of increase in compensation levels	7.50%	7.50%
Weighted average duration of defined projected benefit obligation	15	15

₹ in Lakhs

Sensitivity Analysis	As at	
	March 31, 2017	March 31, 2016
Projected Benefit Obligation on Current Assumptions	565.97	400.60
Delta Effect of +1% change in rate of Discounting	(66.38)	(46.54)
Delta Effect of -1% change in rate of Discounting	79.63	55.81
Delta Effect of +1% change in rate of Salary Increase	78.66	55.56
Delta Effect of -1% change in rate of Salary Increase	(66.83)	(47.16)
Delta Effect of +1% change in rate of Employee Turnover	(3.08)	1.81
Delta Effect of -1% change in rate of Employee Turnover	3.32	(2.19)

Additional Details:

Methodology adopted for Valuation is Projected Unit Credit Method.

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Since investment is with insurance company, Assets are considered to be secured.

Assumptions regarding future mortality experience are set in accordance with the Indian Assured Lives Mortality (2006-08).

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

The Group expects to contribute ₹116.40 lakhs to the plan assets during financial year 2017-18.

Actuarial Gains/Losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Maturity profile of projected benefit obligation:

₹ in Lakhs

Projected Benefits Payable in Future Years from the Date of Reporting	March 31, 2017	March 31, 2016
Within 1 year	41.31	29.65
1-2 years	11.55	9.21
2-3 years	12.77	9.98
3-4 years	28.96	10.97
4-5 years	15.87	30.56
5-10 years	140.57	80.98

b. Defined Contribution Plans:

Amounts recognised as expenses towards contributions to Provident and Family Pension Fund, Employee State Insurance Corporation and other funds by the Group are ₹178.3 lakhs (Previous Year ₹143 lakhs) (Refer Note No. 26).

₹ in Lakhs

Particulars	As at	
	March 31, 2017	March 31, 2016
Contribution to Provident and Family Pension Fund	175.7	140.7
Contribution to Employees State Insurance Scheme (ESIC)	0.4	0.4
Contribution to Labour Welfare Fund	0.1	0.1
Contribution to Employees Deposit Linked Insurance (EDLI)	2.1	1.8

37. EMPLOYEE STOCK OPTION PLAN (ESOP):

During the year ended 31 March 2009, the shareholders of the Company approved the 'Employee Stock Options Plan 2008' ('ESOP – 2008'). Under the said scheme, 1,625,000 Equity Shares of ₹10 each have been allotted to ESOP Trust who will administer the ESOP Scheme on behalf of the Company. Out of which ESOP Trust has granted (a) 1,313,250 number of options convertible into 1,313,250 equity shares of ₹10 each to eligible employees on 2 July 2008 and 23 August 2008 in aggregate; (b) 331,750 (including the lapsed options available for reissuance) numbers of options convertible into 331,750 equity shares of ₹10 each to eligible employees on 24 October 2011; (c) 10,000 numbers of options convertible into 10,000 equity shares of ₹10 each to an eligible employee on 3 October 2012; (d) 25,300 numbers of options convertible into 25,300 equity shares of ₹10 each to eligible employees on 19 April 2013; (e) 10,000 numbers of options convertible into 10,000 equity shares of ₹10 each to an eligible employee on 19 February 2014 and (f) 172,600 numbers of options convertible into 172,600 equity shares of ₹10 each to eligible employees on November 11, 2014.

Details of the Options granted by the ESOP Trust is as under:

Vesting period	No. of Options granted	Exercise Price	Grant Date
2 July 2008 to 2 July 2009	391,725	₹ 144.00	2-Jul-08
2 July 2008 to 2 July 2010	391,725	₹ 144.00	
2 July 2008 to 2 July 2011	522,300	₹ 144.00	
23 August 2008 to 23 August 2009	2,250	₹ 144.00	23-Aug-08
23 August 2008 to 23 August 2010	2,250	₹ 144.00	
23 August 2008 to 23 August 2011	3,000	₹ 144.00	
24 October 2011 to 24 October 2012	99,525	₹ 390.00	24-Oct-11
24 October 2011 to 24 October 2013	99,525	₹ 390.00	
24 October 2011 to 24 October 2014	132,700	₹ 390.00	
3 October 2012 to 3 October 2013	3,000	₹ 1,282.75	3-Oct-12
3 October 2012 to 3 October 2014	3,000	₹ 1,282.75	
3 October 2012 to 3 October 2015	4,000	₹ 1,282.75	
19 April 2013 to 19 April 2014	7,590	₹ 855.70	19-Apr-13
19 April 2013 to 19 April 2015	7,590	₹ 855.70	
19 April 2013 to 19 April 2016	10,120	₹ 855.70	
19 Feb 2014 to 19 Feb 2015	1,000	₹ 516.50	19-Feb-14
19 Feb 2014 to 19 Feb 2016	2,000	₹ 516.50	
19 Feb 2014 to 19 Feb 2017	3,000	₹ 516.50	
19 Feb 2014 to 19 Feb 2018	4,000	₹ 516.50	
11 Nov 2014 to 11 Nov 2015	17,260	₹ 851.10	11-Nov-14
11 Nov 2014 to 11 Nov 2016	34,520	₹ 851.10	
11 Nov 2014 to 11 Nov 2017	51,780	₹ 851.10	
11 Nov 2014 to 11 Nov 2018	69,040	₹ 851.10	

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹10 each. Exercise period for each option granted on 2 July 2008 and 23 August 2008 is three years from the date of their respective vesting. Exercise period for each option granted on 24 October 2011, 3 October 2012, 19 April 2013, 19 February 2014 and 11 November 2014 is one year from the date of their respective vesting.

The following table exhibits the net compensation expenses arising from share based payment transaction:

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Expense arising from equity settled share based payment transactions	111.93	163.73

The activity in the 2008 Plan for equity-settled share based payment transactions during the year ended March 31, 2017 is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
2008 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning of year	162,190	851.40	185,201	847.51
Granted during the year	–	–	–	–
Forfeited and lapsed during the year	22,718	851.67	18,040	851.56
Exercised during the year	43,988	851.86	4,971	705.81
Outstanding at the end of year	**95,484**	**851.12**	**162,190**	**851.40**
Exercisable / vested at the end of year	4,855		18,085	

Lapsed options available for reissuance are 45,582 (As at March 31, 2016: 22,864) shares.

The following table summarizes information about options exercised and granted during the year and about options outstanding and their remaining contractual life as at March 31, 2017:

Particulars	Options outstanding			Options Exercised	
	Number of share options	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number of share options	Weighted average fair value
2-Jul-08	–	–	–	–	–
23-Aug-08	–	–	–	–	–
24-Oct-11	–	–	–	–	–
3-Oct-12	–	–	–	–	–
19-Apr-13	500	0.05	₹ 855.70	7,262	₹ 855.70
19-Feb-14	–	–	–	–	–
11-Nov-14	94,984	2.11	₹ 851.10	36,726	₹ 851.10

For options granted on 2 July 2008 and 23 August 2008 under ESOP 2008 Scheme; the intrinsic value of each option is Nil. The estimated fair value of each option is ₹15.64 and ₹16.62 for options granted on 2 July 2008 and 23 August 2008 respectively. The weighted average fair values have been determined using the Binomial Option Pricing Model considering the following parameters:

Particulars	For options granted in	
Grant date	**2-Jul-08**	**23-Aug-08**
Weighted average share price on the date of grant	₹ 90	₹ 90
Weighted average Exercise price on the date of grant	₹ 90	₹ 90
Expected volatility (%)	1%	1%
Expected life of the option (years)	3.5 years	3.5 years
Expected dividends (%)	25%	25%
Risk-free interest rate (%)	9.14%	9.13%
Weighted average fair value as on grant date	₹ 85	₹ 85

Each option granted represents a right to the option grantee but not an obligation to apply for 1 fully paid up Equity Share of ₹10 each of the Group at duly adjusted exercise price after consolidation of share and bonus issue i.e. ₹144 pursuant to the corporate action during the year ended 31 March 2011.

For options granted on 24 October 2011, 3 October 2012, 19 April 2013, 19 February 2014 and 11 November 2014 under ESOP 2008 Schemes; the intrinsic value of each option is Nil. The estimated fair value of each option is ₹324.99, ₹ 342.64, ₹202.34, ₹181.47 and ₹363.18 for options granted on 24 October 2011, 3 October 2012, 19 April 2013, 19 February 2014 and 11 November 2014 respectively. The weighted average fair values have been determined using the Black Schole Formula considering the following parameters:

Particulars	**For options granted in**				
	24-Oct-11	**3-Oct-12**	**19-Apr-13**	**19-Feb-14**	**11-Nov-14**
Weighted average share price on the date of grant	₹ 390	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10
Weighted average Exercise price on the date of grant	₹ 390	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10
Expected volatility (%)	2.26%	34.35%	32.75%	52.37%	52.22%
Expected life of the option (years)	1.5 Years	2.6 Years	2.6 Years	3.5 Years	3.5 Years
Expected dividends (%)	Not Considered	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant
Dividend yield (%)	—	1.87%	2.80%	4.65%	1.17%
Risk-free interest rate (%)	8.60%	8.12%	7.49%	8.86%	8.26%
Weighted average fair value as on grant date	₹ 385	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10

38. FINANCIAL INSTRUMENTS

Financial instruments by category

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The carrying value and fair value of financial instruments by categories as at March 31, 2017 were as follows:

₹ in Lakhs

Particulars	**Amortised cost**	**Financial assets/ liabilities at fair value through profit or loss**		**Financial assets/ liabilities at fair value through OCI**		**Total carrying value**	**Total fair value**
		Designated upon initial recognition	**Mandatory**	**Equity instruments designated upon initial recognition**	**Mandatory**		
Assets:							
Cash and cash equivalents (Refer Note No. 10)	407.55	–	–	–	–	407.55	407.55
Bank Balances (Refer Note No. 11)	38,492.62	–	–	–	–	38,492.62	38,492.62
Investments (Refer Note No. 4 & 8)							
Equity securities	–	–	–	2,988.32	–	2,988.32	2,988.32
Tax free bonds	–	–	34,655.17	–	–	34,655.17	34,655.17
Mutual Funds	–	–	82,202.57	–	–	82,202.57	82,202.57
Warrants	–	–	–	–	–	–	–
Trade receivables (Refer Note No. 9)	281.34	–	–	–	–	281.34	281.34
Loans (Refer Note No. 12)	34.86	–	–	–	–	34.86	34.86
Other financial assets (Refer Note No. 13)	513.07	–	–	–	–	513.07	513.07
Total	**39,729.44**	**–**	**116,857.74**	**2,988.32**	**–**	**159,575.50**	**159,575.50**
Liabilities:							
Trade payables	3,007.60	–	–	–	–	3,007.60	3,007.60
Other financial liabilities (Refer Note No 20)	24,797.87	–	–	–	–	24,797.87	24,797.87
Total	**27,805.47**	**–**	**–**	**–**	**–**	**27,805.47**	**27,805.47**

The carrying value and fair value of financial instruments by categories as at March 31, 2016 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note No. 10)	2,077.69	–	–	–	–	2,077.69	2,077.69
Bank Balances (Refer Note No. 11)	47,953.64	–	–	–	–	47,953.64	47,953.64
Investments (Refer Note No. 4 & 8)							
Equity securities	–	–	–	1,930.48	–	1,930.48	1,930.48
Tax free bonds	–	–	22,238.64	–	–	22,238.64	22,238.64
Mutual Funds	–	–	83,105.09	–	–	83,105.09	83,105.09
Warrants	–	–	–	4,159.18	–	4,159.18	4,159.18
Trade receivables (Refer Note No. 9)	419.13	–	–	–	–	419.13	419.13
Loans (Refer Note No. 12)	33.38	–	–	–	–	33.38	33.38
Other financial assets (Refer Note No. 13)	595.05	–	–	–	–	595.05	595.05
Total	**51,078.89**	**–**	**105,343.73**	**6,089.66**	**–**	**162,512.28**	**162,512.28**
Liabilities:							
Trade payables	1,878.93	–	–	–	–	1,878.93	1,878.93
Other financial liabilities (Refer Note No. 20)	28,005.50	–	–	–	–	28,005.50	28,005.50
Total	**29,884.43**	**–**	**–**	**–**	**–**	**29,884.43**	**29,884.43**

The carrying value and fair value of financial instruments by categories as at April 01, 2015 were as follows:

₹ in Lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note No. 10)	3,509.61	–	–	–	–	3,509.61	3,509.61
Bank Balances (Refer Note No. 11)	23,053.71	–	–	–	–	23,053.71	23,053.71
Investments (Refer Note No. 4 & 8)							
Equity securities	–	–	–	3,036.37	–	3,036.37	3,036.37
Tax free bonds	–	–	–	–	–	–	–
Mutual Funds	–	–	117,540.20	–	–	117,540.20	117,540.20
Warrants	–	–	–	11,791.34	–	11,791.34	11,791.34
Trade receivables (Refer Note No. 9)	1,065.43	–	–	–	–	1,065.43	1,065.43
Loans (Refer Note No. 12)	27.55	–	–	–	–	27.55	27.55
Other financial assets (Refer Note No. 13)	944.36	–	–	–	–	944.36	944.36
Total	**28,600.66**	**–**	**117,540.20**	**14,827.71**	**–**	**160,968.57**	**160,968.57**
Liabilities:							
Trade payables	951.14	–	–	–	–	951.14	951.14
Other financial liabilities (Refer Note No. 20)	27,639.82	–	–	–	–	27,639.82	27,639.82
Total	**28,590.96**	**–**	**–**	**–**	**–**	**28,590.96**	**28,590.96**

Note: Investment in equity instrument & warrants are not held for trading. The Group has chosen to measure these at FVTOCI irrevocably as the management believes that presently fair value gains and losses relating to these investments in P & L may not be indicative of the performance of the company.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of mutual funds is based on quoted price. The fair value of tax free bonds is based on quoted prices and market observable inputs.

The fair value of warrants & equity securities is based on the valuation provided by the certified valuers.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2017:

₹ in Lakhs

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds (FVTPL)	82,202.57	82,202.57	–	–
Investments in tax free bonds (FVTPL)	34,655.17	34,655.17	–	–
Investments in Warrants of other company (FVTOCI)	–	–	–	–
Investments in equity instruments (FVTOCI)	2,988.32	–	–	2,988.32
Liabilities				
Liability towards contingent consideration	–	–	–	–

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2016:

₹ in Lakhs

Particulars	As at March 31, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds (FVTPL)	83,105.09	83,105.09	–	–
Investments in tax free bonds (FVTPL)	22,238.64	22,238.64	–	–
Investments in Warrants of other company (FVTOCI)	4,159.18	–	–	4,159.18
Investments in equity instruments (FVTOCI)	1,930.48	–		1,930.48
Liabilities				
Liability towards contingent consideration	–	–	–	–

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at April 01, 2015:

₹ in Lakhs

Particulars	As at April 01, 2015	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds (FVTPL)	117,540.20	117,540.20	–	–
Investments in tax free bonds (FVTPL)	–	–	–	
Investments in Warrants of other company (FVTOCI)*	11,791.34	–	–	11,791.34
Investments in equity instruments (FVTOCI)*	3,036.37	–	–	3,036.37
Liabilities				
Liability towards contingent consideration	–	–	–	–

* The carrying amount of financial asset measured at FVTOCI in the financial statements are a reasonable approximation of their fair values since the group does not anticiapate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign currency risk

The Group transacts internationally periodically and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the company has not entered in foreign exchange forward exchange contracts.

Derivative financial instruments

The Group has not entered into any forward exchange contract being derivative instruments.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particular	As at March 31, 2017		As at March 31, 2016	
	₹ in Lakhs	Amount in Foreign Currency	₹ in Lakhs	Amount in Foreign Currency
Other receivables				
In USD	1.36	2,013	0.20	349
Trade Payables				
In USD	131.44	202,726	68.60	103,347
In GBP	106.89	132,157	56.90	59,890

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹281.34 lakhs and ₹419.13 lakhs as at March 31, 2017 and March 31, 2016 respectively and unbilled revenue amounting to ₹1,997.22 lakhs and ₹1,838.07 lakhs as at March 31, 2017 and March 31, 2016 respectively.

Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Investment in mutual fund & bonds is with financial institutions with high credit rating assigned by the international credit rating agencies.

Ageing of Account receivables ₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables			
Less than 6 months	224.39	231.39	270.27
More than 6 months	56.95	187.74	795.18
Total	**281.34**	**419.13**	**1065.43**

Movement in provisions of doubtful debts ₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Opening provision	1,597.98	1,650.82
Add: Additional provision made	–	254.58
Less: Provision written off	117.13	307.42
Less: Provision reversed	44.62	–
Closing provision	1,436.23	1,597.98

Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

(i) Financial Arrangements

Following are the unutilised sanctioned bank overdraft limits as at the respective year end. ₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Expiring within one year (bank overdraft)	18,251.00	19,233.00	20,588.00

(ii) Maturity patterns of other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade Payable			
Less than 6 months	2,972.08	1,840.07	836.15
More than 6 months	35.51	38.86	114.23
Total	**3,007.60**	**1,878.93**	**950.38**

Capital Risk Management

(a) Risk Management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividend by the Company

₹ in Lakhs

Particulars	As at March 31, 2017	As at March 31, 2016
Equity shares	509.98	509.98
Final dividend for the year ended March 31, 2017 of ₹15/- (March 31, 2016 – ₹6.5/-) per fully paid share	7,649.70	3,314.87
Dividends not recognised at the end of the reporting period	7,649.70	3,314.87

39. INVESTMENT IN SUBSIDIARY

Name of subsidiary	Principle place of business / Country of incorporation	Proportion of interest held by Controlling entities as at March 31, 2017	Proportion of interest held by Controlling entities as at March 31, 2016	Proportion of interest held by Controlling entities as at April 01, 2015
Multi Commodity Exchange Clearing Corporation of India Limited	Mumbai, India	100%	100%	100%

Summarised Statement of profit and loss

Particulars	2016-17	2015-16
Revenue	48.48	43.09
Cost of material consumed	–	–
Other expenses	13.89	0.45
Finance costs	–	–
Pre-Tax Profit/(Loss) from continuing operations	**34.59**	**42.64**
Income tax expense	2.15	9.21
Post-tax Profit/(Loss) from continuing operations	**32.44**	**33.43**

Summarised Balance Sheet

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current Assets	830.75	793.65	760.26
Non-Current Assets	–	–	–
Current Liabilities	2.95	0.43	1.22
Non-Current Liabilities	8.22	6.10	5.34
Total Equity	**819.57**	**787.13**	**753.70**
Attributable to:			
Equity holders of parent	100%	100%	100%
Non-Controlling interest	–	–	–

Summarised Cash Flow Statement

Particulars	As at March 31, 2017	As at March 31, 2016
Operating	(13.46)	(9.77)
Investing	12.50	12.09
Financing	–	–
Net Increase / (Decrease) in cash and cash equivalents	**(0.96)**	**2.32**

40. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility (CSR) activities.

₹ In Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Amount required to be spent as per Section 135 of the Act	308.49	523.20
Amount spent during the year on:		
(i) Construction / acquisition of an asset	—	—
(ii) On purpose other than (i) above	328.85	296.90
Total	**328.85**	**296.90**

41. Pursuant to the Consent Terms between the Company and Metropolitan Stock Exchange of India Ltd. (MSEI) filed with and taken on record by the H'ble Bombay High Court, the Company has since received necessary approval and no objection from SEBI for conversion of warrants of MSEI into its Equity Shares. Accordingly, the Company vide its letter dated September 29, 2016 to MSEI has exercised the conversion right of 26,51,77,600 warrants issued as per the Scheme of Reduction cum Arrangement into 26,51,77,600 Equity shares of ₹1 each, The equity shares have since been allotted to the company and have been credited to demat account of the Company on October 3, 2016.

Amount of ₹15,07,40,072 has been received towards balance 15,07,40,072 warrants on October 14, 2016 as per the Consent Terms.

42. DISCLOSURE IN RESPECT OF SPECIFIED BANK NOTES HELD AND TRANSACTED

The Group did not have any holding or dealing in Specified Bank Notes during the period November 8, 2016 to December 31, 2016 as envisaged in notification G.S.R. 308(E) dated March 30, 2017.

43. EXCEPTIONAL ITEMS

Pursuant to compliance of regulatory inspection, certain penalties pertaining to financial years 2010-11 and 2011-12 amounting to ₹ 194 lakhs were transferred to Multi Commodity Exchange Investor (Client) Protection Fund (IPF). Further, similar penalties for earlier years pertaining to financial years 2007-08 to 2009-10 amounting to ₹369.1 lakhs were transferred to IPF. Accordingly, during the year ended March 31, 2016 a total sum of ₹563.1 lakhs was transferred to IPF and disclosed as an exceptional item.

44. SME EXCHANGE OF INDIA LIMITED (SME)

The Board of Directors of SME Exchange of India Limited (SME) at its meeting held on January 19, 2015 considered that SME had not commenced any operations and with no possibility of commencing in the foreseeable future, agreed to the members' voluntary winding up. The Directors of SME after having made inquiry into the affairs of the Company and on the basis of the Auditors report for the period commencing from April 1, 2014 to January 21, 2015, formed the opinion that the SME is solvent and will be able to pay its debt in full within 36 months from the commencement of winding up. Thereafter, the members of SME at its Second Extra Ordinary General Meeting held on March 18, 2015, accorded their consent for members' voluntary winding up, pursuant to the provisions of Section 484(1) (b) of the Companies Act, 1956 and also approved the appointment of a Liquidator for the same.

The Liquidator realised all the assets and paid off the liabilities and returned the share capital to the respective shareholders. Thereafter, the liquidator at the final General Meeting of SME held on March 28, 2016, submitted the accounts showing in detail the manner in which the winding up has been conducted and the assets of the SME have been disposed off which was approved by the shareholders of SME. The Company has realised ₹ 3.7 lakhs against its carrying value of ₹ 4.0 lakhs in equity shares. The requisite filing with Registrar of the Companies and the Official Liquidator w.r.t. the final general meeting is being done by the Liquidator and the final order of dissolution is awaited.

45. i) Subsidiaries/Associates considered for consolidation

The financial statements of the following subsidiaries have been consolidated as per Accounting Standards 21 "Consolidated Financial Statements":

Name of Associate	Country of incorporation	Proportion of Ownership Interest (Current year)	Proportion of Ownership Interest (Previous year)
Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	India	100%	100%
SME Exchange of India Limited (SME)* (Refer Note 44)	India	–	*

Name of Subsidiary	Country of incorporation	Proportion of Ownership Interest (Current year)	Proportion of Ownership Interest (Previous year)
Metropolitan Clearing Corporation of India Limited (formerly known as MCX-SX Clearing Corporation Limited)	India	–	#

The financial statements of the above Associate Company has been consolidated as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Subsequent to rights issue by Metropolitan Clearing Corporation of India Limited (MCCIL), the stake of MCX in MCCIL has reduced to 14.44% from 26% effective July 2, 2015. Accordingly, the share in profit of Associate has been considered upto the period (i.e. June 30, 2015) till MCCIL was an Associate.

ii) Additional Information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as Subsidiaries and Associate

	2016-17							
Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount	As a % of consolidated Profit	Amount
Parent								
Multi Commodity Exchange of India Limited	99.72	128,975.82	99.90	12,672.14	(100.00)	(1,851.65)	99.77	10,775.49
Subsidiary (Indian)								
1. MCXCCL	0.63	819.57	0.26	32.44	–	–	0.30	32.44

46. EVENT OCCURING AFTER BALANCE SHEET DATE

The Board of Directors has recommended Equity dividend of ₹15/- per share (Previous year ₹6.5/-) for the financial year 2016-17 (Refer Note 38).

47. The Consolidated Financial Statements were approved by the Audit Committee & Board of Directors on May 4, 2017.

48. FIRST-TIME ADOPTION OF IND AS

These are the Group's first Ind AS financial statements prepared in accordance with Ind AS. The Group has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from April 01, 2016, with a transition date of April 01, 2015. Ind AS 101 "First-time Adoption of Indian Accounting Standards", requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2017 for the group, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Group has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP (I GAAP) have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions applied in the transition from IGAAP to Ind AS.

A. Optional Exemptions availed

1. Property, Plant and Equipment

The group has availed the exemption with regards to fair valuation of Property, Plant and Equipment on the date of transition as defined in Para 7AA of Appendix – D of Ind AS 101 that carrying value of Property, Plant and Equipment as on date of transition has been considered as deemed cost for the purpose of initial measurement under Ind AS.

2. Investment in subsidiaries and associates

The group has availed the exemption with regards to fair valuation of investments in subsidiaries and associates as per Para 14 & 15 of Appendix – D of Ind AS 101 and carrying value as per previous IGAAP is considered as deemed cost under Ind AS.

3. Share-based payment

Ind AS 102 Share-based Payment has not been applied to equity instruments in share based payment transactions that vested before the transition date (1st April 2015). The remaining options have been measured at fair value as against intrinsic value previously under IGAAP. The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'ESOP Compensation Reserve', with the corresponding impact taken to the retained earnings as on the transition date.

4. Designation of previously recognized financial instruments

Paragraph D19B of Ind AS 101 gives an option to an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has opted to apply this exemption for its investment in equity investments.

B. Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

I. Reconciliation of Balance sheet as at April 01, 2015 (Transition Date) and March 31, 2016

II. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

III. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

IV. Reconciliation of Equity as at April 01, 2015 and as at March 31, 2016

I. Reconciliation of Balance sheet as previously reported under IGAAP to IND AS

₹ in Lakhs

Particulars	Note No.	As at March 31, 2016			As at April 01, 2015		
		Indian GAAP	Ind AS Effect	Ind AS	Indian GAAP	Ind AS Effect	Ind AS
Assets							
(1) Non-current assets							
(a) Property, plant and equipment		12,167.47	–	12,167.47	11,408.35	–	11,408.35
(b) Capital work in progress		40.06	–	40.06	–	–	–
(c) Intangible assets		1,531.02	–	1,531.02	2,873.45	–	2,873.45
(d) Intangible assets under development		272.47	–	272.47	228.45	–	228.45
(e) Financial assets							
(i) Non-current investments	A	21,701.00	3,297.04	24,998.04	718.50	1,434.44	2,152.94
(ii) Non-current other financial assets		295.05	–	295.05	644.36	–	644.36
(f) Deferred tax assets (net)	G		481.08	481.08	–	–	–
(g) Other non-current assets		1,155.98	–	1,155.98	1,974.42	–	1,974.42
(h) Income tax assets (net)		1,645.84	–	1,645.84	1,201.09	–	1,201.09
Total non-current assets		**38,808.89**	**3,778.12**	**42,587.01**	**19,048.62**	**1,434.44**	**20,483.06**
(2) Current assets							
(a) Financial assets							
(i) Current investments	A	86,021.13	414.21	86,435.34	128,793.83	1,421.14	130,214.97
(ii) Trade receivables		419.13	–	419.13	1,065.43	–	1,065.43
(iii) Cash and cash equivalents		2,077.69	–	2,077.69	3,509.61	–	3,509.61
(iv) Bank balances other than cash and cash equivalents		47,953.64	–	47,953.64	23,053.71	–	23,053.71
(v) Loans		33.38	–	33.38	27.55	–	27.55
(vi) Current other financial assets		300.00	–	300.00	300.00	–	300.00
(b) Other current assets		6,384.00	–	6,384.00	6,886.19	–	6,886.19
Total current assets		**143,188.97**	**414.21**	**143,603.18**	**163,636.32**	**1,421.14**	**165,057.46**
Total assets		**181,997.86**	**4,192.33**	**186,190.19**	**182,684.94**	**2,855.58**	**185,540.52**
Equity and Liabilities							
(1) Equity							
(a) Equity share capital		5,099.84	–	5,099.84	5,099.84	–	5,099.84
(b) Other equity	A to I	115,610.43	8,630.86	124,241.29	115,370.82	8,097.14	123,467.96
Equity attributable to equity holders of the parent							
(2) Non-controlling interests		–	–	–	4.50	–	4.50
(3) Total equity		**120,710.27**	**8,630.86**	**129,341.13**	**120,475.16**	**8,097.14**	**128,572.30**
(4) Settlement guarantee fund	A	18,792.54	31.13	18,823.67	18,711.64	35.21	18,746.85
(5) Non-current liabilities							
(a) Financial liabilities							
(i) Other non-current financial liabilities	B	2,213.69	(175.49)	2,038.20	2,360.40	(111.20)	2,249.20
(b) Non-current provisions		123.65	–	123.65	101.16	–	101.16
(c) Deferred tax liabilities (net)	G	485.70	(485.70)	–	967.10	913.95	1,881.05
Total non-current liabilities		**2,823.04**	**(661.19)**	**2,161.85**	**3,428.66**	**802.75**	**4,231.41**
(6) Current liabilities							
(a) Financial liabilities							
(i) Trade payables		1,878.93	–	1,878.93	951.14	–	951.14
(ii) Other current financial liabilities	B	25,786.03	181.27	25,967.30	25,350.61	40.01	25,390.62
(b) Other current liabilities		7,409.12	–	7,409.12	6,530.59	–	6,530.59
(c) Current provisions	C	4,108.93	(3,989.74)	119.19	6,227.72	(6,119.53)	108.19
(d) Income tax liabilities (net)		489.00	–	489.00	1,009.42	–	1,009.42
Total current liabilities		**39,672.01**	**(3,808.47)**	**35,863.54**	**40,069.48**	**(6,079.52)**	**33,989.96**
Total liabilities		**61,287.59**	**(4,438.53)**	**56,849.06**	**62,209.78**	**(5,241.56)**	**56,968.22**
Total equity and liabilities		**181,997.86**	**4,192.33**	**186,190.19**	**182,684.94**	**2,855.58**	**185,540.52**

Notes forming part of the consolidated financial statements (Contd...)

II. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to IND AS

₹ in Lakhs

	Particulars	Note	Year ended March 31, 2016		
			Indian GAAP	Ind AS Effect	Ind AS
I	**Income**				
	Revenue from operations		23,492.76	–	23,492.76
	Other income	A	9,839.52	1,851.22	11,690.74
	Total Income		**33,332.28**	**1,851.22**	**35,183.50**
II	**Expenses**				
	Employee benefits expense	C, D	4,055.42	137.39	4,192.81
	Finance costs	B	3.78	26.23	30.01
	Depreciation and amortization expense		2,458.64	–	2,458.64
	Other expenses		11,772.99	–	11,772.99
	Total expenses		**18,290.83**	**163.62**	**18,454.45**
III	Profit before exceptional items and tax		15,041.46	1,687.60	16,729.05
IV	Exceptional items	H	6,667.63	(6,104.53)	563.10
V	**Profit before tax**		**8,373.83**	**7,792.13**	**16,165.95**
VI	**Tax expenses**				
	(1) Current tax		(4,615.96)	–	(4,615.96)
	(2) Deferred tax	G	481.29	(568.76)	(87.47)
VII	**Profit for the year**		**4,239.16**	**7,223.37**	**11,462.52**
VIII	Share of Profit's of associate	I	8.58	(8.58)	0.00
IX	**Profit for the period**		**4,247.74**	**7,214.79**	**11,462.52**
X	**Other Comprehensive Income**				
	Items that will not be reclassified to profit or loss (net of tax)				
	i) Changes in fair value of equity instruments	A, E	–	(4,555.55)	(4,555.55)
	ii) Remeasurement of employee benefits obligations		–	(17.22)	(17.22)
XI	**Total comprehensive income for the year attributable to owner of the company**		**4,247.74**	**2,642.02**	**6,889.75**

III. Reconciliation of Total Comprehensive Income for the year ended March 31, 2016

₹ in Lakhs

Particulars	Notes	For the Year Ended March 31, 2016
Net Profit after tax under previous Indian GAAP		**4,239.17**
Gain on Fair valuation of Investments	A	1,851.22
Effect of amortised cost	B	(26.23)
Employee benefit expenses (ESOP)	D	(163.71)
Reversal of Loss on Investments classified as Fair value through Other Comprehensive Income	E, H	6,104.53
Actuarial gain / (loss) on employee defined benefit plans recognise in Other Comprehensive Income	C	26.32
Deferred tax adjustment on above	G	(568.78)
Net Profit after tax under Ind AS		**11,462.52**
Other Comprehensive Income (net of tax)	C, E, H	(4,572.77)
Total Comprehensive Income under Ind AS		**6,889.75**

IV. Reconciliation of Equity as at April 01, 2015 and as at March 31, 2016

₹ in Lakhs

Particulars	Notes	As at March 31, 2016	As at April 01, 2015
Shareholder's equity as per previous GAAP		**1,20,710.26**	**1,20,475.20**
Actuarial gain / (loss) on employee defined benefit plans recognise in Other Comprehensive Income (net of tax)	C	(17.22)	–
ESOP Compensation Reserve	D	163.73	–
Gain on Fair Value through Profit & Loss (net of tax)	A, G	7,753.67	1,899.43
Loss on Fair Value through Other Comprehensive Income (net of tax)	E, I	(3,279.50)	–
Proposed Dividend derecognised	J	3,936.52	6,119.50
Others	B	73.67	73.67
Shareholder's equity as per IND AS		**1,29,341.13**	**1,28,567.80**

The following explains the material adjustments made while transition from previous accounting standards to IND AS:

A. Investments

- Investments in tax free bonds and mutual funds are carried at fair value through Profit and loss under Ind AS as compared to being carried at cost under IGAAP.
- Investment in equity instruments are carried at fair value through Other Comprehensive Income (OCI) in Ind AS compared to being carried at cost under IGAAP.

B. NPN / POP Security Deposits

NPN / POP equipment deposits from the members are measured at amortized cost.

C. Employee Benefits Expenses (Gratuity)

Both under Indian GAAP and Ind AS, the group recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements are recognized in other comprehensive income.

D. ESOP

Employee compensation expenses relating to share based payment (ESOP) is measured at fair value of the option as per Ind AS 102 as compared to intrinsic value under IGAAP.

E. Other comprehensive income

Under IGAAP, the group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled profit or loss as per Indian GAAP to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

F. Other adjustments

Movement in other comprehensive income includes fair value change on account of Investment in equity instruments of other entities – Dubai Gold and Commodities Exchange (DMCC), Metropolitan Stock Exchange of India Limited, Metropolitan Clearing Corporation of India Limited, Investments in warrants of other company – Metropolitan Stock Exchange of India Limited designated as Fair value through other comprehensive income.

G. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. 'Ind AS 12 Income Taxes' requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind 'AS 12 Income Taxes' approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

H. Exceptional items reversed by ₹6,104.53 lakhs is towards aggregate loss, diminution and provision on account of the investments in MSEI for FY 2015-16, the same has been routed through OCI net of tax.

I. On account of deemed disposal in investment of associate, the share of profit on the date of disposal is considered as cost of investment in associate. These investments are fair valued through other comprehensive income (OCI) on the date of reporting.

J. Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

K. Statement of cash flows

The transition from IGAAP to Ind AS has not had a material impact on the Statement of Cash Flows.

L. Financial assets and financial liabilities have been regrouped/reclassified wherever required to comply with Ind AS.

For and on behalf of the Board of Directors

Mrugank Paranjape Managing Director & CEO DIN: 02162026	**Saurabh Chandra** Chairman DIN: 02726077	**Subrata K. Mitra** Director DIN: 00029961
Ajay Puri Company Secretary	**Sanjay Wadhwa** Chief Financial Officer	

Mumbai, May 4, 2017

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