Notes forming part of the Standalone 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 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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.

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Asset Class	Useful Life
Buildings	60 years
Office equipment	5 years
Network 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 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.

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:

The company measures its financial assets at fair value at each balance sheet date. 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.

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)

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.

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.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss and fair value changes are recognized in Other Comprehensive Income (OCI).

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 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 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

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All non-current financial liabilities of the Company are 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. Investment in Associate Company

Investment in associates are shown at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

J. Revenue Recognition

Revenue is recognised on accrual basis and when no significant uncertainty as to measurement and realisation exists.

a) Transaction Charges – Revenue is recognized on transactions in accordance with the Company's fees scales as and when the transaction occurs.

b) Admission Fees (non refundable) collected from new members for joining the Exchange are recognized once the membership is approved.

c) Subscription and other fees – Revenue is recognized on straight line basis over the period to which fee relates.

d) Dividend income is recognised when the Company's right to receive dividend is established.

e) Interest income accrued on time proportion basis. The amounts disclosed as revenue are net of taxes and amounts collected on behalf of third parties.

Effective from April 1, 2018, the Company has adopted Ind AS 115 "Revenue from contracts with customers" using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information is not restated in the statement of profit and loss. The effect of adoption is insignificant.

K. 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.

Effective from April 01, 2018, the Company has adopted Appendix B to Ind AS 21, The Company determines exchange rate to use on initial recognition of the related asset, expense or income, when the Company receives or pays advance consideration in a foreign currency. The effect of adoption is insignificant.

L. 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.

M. 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 recognizes the same in ESOP Compensation Reserve.

N. 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.

O. 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.

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.

Onerous contracts

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.

P. 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.

Q. 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.

R. Government Grants:

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to it, and that the grant will be received. Government grants are recognised in the Statement of Profit or Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Profit or Loss over the expected useful lives of the assets concerned.

S. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

T. 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 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.

1.4 Recent accounting pronouncements

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.

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Company is currently evaluating the method and impact of transition.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition – i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2A. PROPERTY, PLANT AND EQUIPMENT

₹ In Lakh

Particulars	Land-Freehold	Buildings	Office Equipments (Including Computer Hardware)	Networking Equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
Balance as at April 1, 2017	**5,061**	**6,268**	**3,775**	**48**	**568**	**76**	**15,796**
Additions	–	–	1,570	1	–	136	1,707
Disposals	–	–	27	3	1	7	38
Balance as at March 31, 2018	**5,061**	**6,268**	**5,318**	**46**	**567**	**205**	**17,465**
Additions	–	–	678	–	3	–	681
Disposals	–	–	10	1	–	88	99
Balance as at March 31, 2019	**5,061**	**6,268**	**5,987**	**44**	**570**	**117**	**18,047**
Accumulated Depreciation							
Balance as at April 1, 2017	**–**	**196**	**1,394**	**29**	**128**	**41**	**1,788**
Additions	–	115	796	9	97	29	1,046
Disposals#	–	–	27	3	0	7	37
Balance as at March 31, 2018	**–**	**310**	**2,163**	**36**	**225**	**63**	**2,797**
Additions	–	115	968	5	58	26	1,171
Disposals	–	–	10	1	–	35	46
Balance as at March 31, 2019	**–**	**425**	**3,121**	**40**	**283**	**54**	**3,922**
Net carrying amount							
Balance as at March 31, 2018	**5,061**	**5,958**	**3,155**	**10**	**342**	**142**	**14,668**
Balance as at March 31, 2019	**5,061**	**5,843**	**2,866**	**5**	**287**	**63**	**14,125**

0 represents ₹0.09 lakh

2B. CAPITAL WORK IN PROGRESS

Balance as at March 31, 2018	**–**	**–**	**233**	**–**	**–**	**–**	**233**
Balance as at March 31, 2019	**–**	**–**	**3**	**–**	**–**	**–**	**3**

3A INTANGIBLE ASSETS

₹ In Lakh

Particulars	Computer Software	Total
Gross carrying amount		
Balance as at April 1, 2017	**3,687**	**3,687**
Additions	405	405
Disposals	–	–
Balance as at March 31, 2018	**4,092**	**4,092**
Additions	1,046	1,046
Disposals	95	95
Balance as at March 31, 2019	**5,043**	**5,043**
Accumulated Depreciation		
Balance as at April 1, 2017	**2,517**	**2,517**
Additions	620	620
Disposals	–	–
Balance as at March 31, 2018	**3,137**	**3,137**
Additions	357	357
Disposals	12	12
Balance as at March 31, 2019	**3,482**	**3,482**
Net carrying amount		
Balance as at March 31, 2018	**955**	**955**
Balance as at March 31, 2019	**1,561**	**1,561**

3B. INTANGIBLE ASSETS UNDER DEVELOPMENT

Balance as at March 31, 2018	**321**	**321**
Balance as at March 31, 2019	**1,892**	**1,892**

4. NON CURRENT INVESTMENTS

Particulars	Face Value	As at March 31,2019		As at March 31,2018	
	Per Share	Shares	₹ In Lakh	Shares	₹ In Lakh
A Investments in equity instruments:					
(i) **of Subsidiary - FVTOCI**					
Multi Commodity Exchange Clearing Corporation Limited	₹ 10	**23,99,85,000**	**23,999**	**10,60,00,000**	**10,600**
(ii) **of Associate - Cost**					
CDSL Commodity Repository Limited	₹ 10	**1,20,00,000**	**1,200**	–	–
(iii) **of other entities - FVTOCI**					
Class B Shares of USD 1,000 each fully paid-up in Dubai Gold and Commodities Exchange DMCC	1000USD	–	–	**500**	**299**
			25,199		**10,899**

	Particulars	Face Value	As at March 31,2019		As at March 31,2018	
		Per Unit	Units	₹ In Lakh	Units	₹ In Lakh
B	**Investment in Mutual Funds - FVTPL**					
	Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	50,00,000	530	–	–
	Aditya Birla Sun Life Fixed Term Plan - Series RC	₹ 10	80,00,000	852	–	–
	Birla Sunlife FMP Series OG 1146 days - Direct Growth	₹ 10	60,00,000	693	60,00,000	644
	Birla Sunlife FMP Series OI- Direct Growth	₹ 10	50,00,000	579	50,00,000	537
	Birla Sun Life Fixed Term Plan Series PU Direct Growth	₹ 10	50,00,000	547	–	–
	DSP Blackrock FMP Series 204 37M - Direct Growth	₹ 10	1,00,00,000	1,153	1,00,00,000	1,073
	HDFC Fixed Maturity Plan Oct 2018 (43) 1 Direct Growth	₹ 10	70,00,000	745	–	–
	HDFC Fixed Maturity Plan Sept 2018 (42) -1-1115 Direct Growth	₹ 10	50,00,000	534	–	–
	HDFC Fixed Maturity Plan Sept 2018 (42) -1-1381 Direct Growth	₹ 10	80,00,000	859	–	–
	ICICI Pru FMP Series 80 Growth Plan G - Direct Growth	₹ 10	1,00,00,000	1,156	1,00,00,000	1,073
	ICICI Pru FMP Series 80 plan J -Direct Growth	₹ 10	1,00,00,000	1,160	1,00,00,000	1,076
	ICICI Pru FMP Series 84 1293 days -Direct Growth	₹ 10	1,00,00,000	1,072	–	–
	Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	50,00,000	538	–	–
	Kotak FMP Series 200 - 1158 days - Direct Growth	₹ 10	1,00,00,000	1,155	1,00,00,000	1,074
	Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	80,00,000	848	–	–
	Kotak FMP Series 247 - 1308 days - Direct Growth	₹ 10	1,00,00,000	1,071	–	–
	Reliance FHF XXXIII Series 1 FMP - Direct Growth	₹ 10	60,00,000	697	60,00,000	646
	Reliance FHF XXXIII Series 4 FMP - Direct Growth	₹ 10	50,00,000	579	50,00,000	537
	Reliance FHF 38 Series 6 FMP - Direct Growth	₹ 10	50,00,000	533	–	–
	Reliance FHF 39 Series 4 FMP - Direct Growth	₹ 10	70,00,000	753	–	–
	Reliance FHF 39 Series 6 FMP - Direct Growth	₹ 10	80,00,000	858	–	–
	Reliance FHF 39 Series 9 FMP - Direct Growth	₹ 10	80,00,000	851	–	–
	SBI Magnum DFS C - 26 -1125 Days Direct Growth	₹ 10	1,00,00,000	1,064	–	–
	UTI Fixed Term Income Fund Series XXX Plan 5	₹ 10	80,00,000	854	–	–
	UTI FFTIF Series XXVI - VI - Direct Growth	₹ 10	50,00,000	577	50,00,000	537
				20,258		**7,197**
C.	**Investment in Tax Free Bonds - FVTPL**					
	7.19% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 31 July 2025)	₹ 10,00,000	400	4,161	400	4,603
	7.11% National Highway Authority of India Tax free bonds (Maturity Date 18 September 2025)	₹ 10,00,000	500	5,182	500	5,730
	7.07% Housing and Urban Development Corporation Ltd.Tax free bonds (Maturity Date 01 October 2025)	₹ 10,00,000	440	4,543	440	5,030
	7.11% NTPC Ltd.Tax free bonds (Maturity Date 05 October 2025)	₹ 1,000	62,457	648	62,457	716
	7.11% Power Housing Finance Corporation Ltd.Tax free bonds (Maturity Date 17 October 2025)	₹ 1,000	25,670	266	25,670	294
	7.09% Rural Electrification Corporation Ltd.Tax free bonds (Maturity Date 05 November 2030)	₹ 1,000	–	–	1,14,504	1,364
	7.28% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 21 December 2030)	₹ 1,000	–	–	1,05,700	1,156
	7.35% National Highway Authority of India Tax free bonds (Maturity Date 11 January 2031)	₹ 1,000	1,08,849	1,172	1,92,849	2,381

Notes forming part of the financial statements *(Contd...)*

Particulars	Face Value	As at March 31,2019		As at March 31,2018	
	Per Unit	Units	₹ In Lakh	Units	₹ In Lakh
7.49% Indian Renewable Energy Development Agency Ltd. Tax free bonds (Maturity Date 21 January 2031)	₹ 1,000	1,36,241	1,483	1,36,241	1,693
7.39% Housing and Urban Development Corporation Ltd.Tax free bonds (Maturity Date 08 February 2031)	₹ 1,000	–	–	28,028	341
7.39% National Highway Authority of India Tax free bonds (Maturity Date 09 March 2031)	₹ 1,000	–	–	16,189	200
7.39% Housing and Urban Development Corporation Ltd.Tax free bonds (Maturity Date 15 March 2031)	₹ 1,000	1,30,244	1,406	1,63,244	1,989
7.35% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 22 March 2031)	₹ 1,000	1,50,000	1,616	1,78,216	2,194
7.35% National Bank For Agriculture And Rural Development Tax free bonds (Maturity Date 23 March 2031)	₹ 1,000	4,95,649	5,342	5,35,149	5,885
7.38% India Infrastructure Finance Company Ltd. Tax free bonds (Maturity Date 15 Nov 2027)	₹ 10,00,000	50	531	50	598
8.20% Housing And Urban Development Corporation Ltd. Tax free bonds (Maturity Date 05 March 2027)	₹ 1,000	50,000	555	50,000	568
			26,905		**34,742**
Total			**72,362**		**52,838**
Aggregate amount of listed and quoted investments at fair value			26,905		34,742
Aggregate amount of listed and quoted investments at cost			26,345		30,836
Aggregate amount of listed but not quoted investments at fair value			20,258		7,197
Aggregate amount of listed but not quoted investments at cost			18,400		6,700
Aggregate amount of unquoted investments at fair value			25,199		10,899
Aggregate amount of unquoted investments at cost			25,199		10,819

₹ In Lakh

	Particulars	As at March 31, 2019	As at March 31, 2018
5.	**OTHER NON-CURRENT FINANCIAL ASSETS**		
	Security deposits	1,096	138
	Bank deposits with more than 12 months maturity (Refer note 11)	–	18,845
	Interest accrued but not due on fixed deposits	–	2,410
	Total	**1,096**	**21,393**
6.	**INCOME TAX ASSETS (NET)**		
	Advance income tax [net of provisions ₹73,867 lakh (as at March 31, 2018 ₹71,271 lakh)]	5,149	3,067
	Total	**5,149**	**3,067**
7.	**OTHER NON-CURRENT ASSETS**		
	Capital advances	18	–
	Advances other than capital advances		
	Advances for supply of services	488	665
	Others		
	Prepaid expenses	59	181
	Total	**565**	**846**

8. CURRENT INVESTMENTS

Particulars	Face Value	As at March 31,2019		As at March 31,2018	
	Per Share	Shares	₹ In Lakh	Shares	₹ In Lakh
A Investments in equity instruments:					
of other Entities - FVTOCI	₹ 10	**65,00,000**	**528**	**65,00,000**	**508**
Metropolitan Clearing Corporation of India Limited (formerly Known as MCX SX Clearing Corporation Limited)					
Metropolitan Stock Exchange of India Limited (Formerly Known as MCX Stock Exchange Limited)	₹ 1	**33,17,77,008**	**1,957**	**33,17,77,008**	**2,322**
			2,485		**2,830**

Particulars	Face Value	As at March 31,2019		As at March 31,2018	
	Per Unit	Units	₹ In Lakh	Units	₹ In Lakh
B Investment in Mutual Funds - FVTPL					
Axis Enhanced Arbitrage Fund - Direct - Dividend	₹ 10	–	–	1,75,77,651	1,921
Axis Short Term Fund Direct Growth	₹ 10	52,36,370	1,111	52,36,370	1,029
Axis Banking & PSU Debt Fund Direct Growth	₹ 1,000	60,260	1,066	–	–
Aditya Birla Sunlife Cash Plus Direct Growth	₹ 100	5,78,619	1,738	–	–
Birla Sunlife Income Plus Direct Growth	₹ 10	–	–	17,54,457	1,384
Birla Sun life Enhanced Arbitrage Fund Direct MDR	₹ 10	–	–	45,91,437	507
DSP BlackRock Short Term Fund - Direct - Growth	₹ 10	51,09,777	1,680	51,09,777	1,563
HDFC Corporate Bond Fund Direct Growth	₹ 10	59,65,110	1,249	–	–
HDFC Low Duration Fund Direct Growth	₹ 10	33,57,861	1,372	–	–
HDFC Medium Term Debt Fund Direct Growth	₹ 10	57,79,286	2,207	–	–
HDFC Short Term Debt Fund Direct Growth	₹ 10	50,21,996	1,046	–	–
HDFC Medium Term Opportunities Fund Direct Plan Growth	₹ 10	–	–	59,65,110	1,158
HDFC Gilt Fund Long Term Plan Direct Growth	₹ 10	–	–	1,04,63,704	3,743
HDFC High Interest Fund Dynamic Plan Direct Growth	₹ 10	–	–	21,21,554	1,302
HDFC Liquid Fund - Direct - Growth	₹ 1,000	–	–	1,00,885	3,454
HDFC High Interest Fund - Short Term Plan - Direct Growth	₹ 1,000	–	–	57,79,286	2,056
HDFC Cash Management Fund Treasury Advantage Direct Growth	₹ 10	–	–	8,05,473	306
ICICI Prudential Income Opportunity Fund Direct Growth	₹ 10	–	–	2,59,86,965	6,434
ICICI Prudential Bond Fund Direct Growth	₹ 10	2,59,86,965	6,866	–	–
ICICI Prudential Equity Arbitrage Fund Direct Plan Growth	₹ 10	–	–	35,20,408	508
ICICI Prudential Short Term Direct Growth	₹ 10	26,15,792	1,055	26,15,792	981
ICICI Prudential Money Market Fund Direct Growth	₹ 100	1,54,695	402	27,31,911	6,569
ICICI Pru Banking & PSU Debt Fund Direct Growth	₹ 1,000	51,95,885	1,120	51,95,885	1,050
IDFC Dynamic Bond Fund Direct Growth	₹ 10	–	–	1,55,45,405	3,359
IDFC Cash Fund - Direct - Growth	₹ 1,000	–	–	1,43,636	3,031
IDFC Corporate Bond Fund Direct Growth	₹ 10	5,44,90,469	7,008	5,44,90,469	6,523
IDFC Arbitrage Fund - Direct - Monthly Dividend	₹ 10	–	–	1,47,18,881	1,917
Invesco India Short Term Fund - Direct - Growth	₹ 1,000	21,334	546	21,334	508

Notes forming part of the financial statements *(Contd...)*

Particulars	Face Value	As at March 31,2019		As at March 31,2018	
	Per Unit	Units	₹ In Lakh	Units	₹ In Lakh
Invesco India Arbitrage Fund - Direct - Dividend	₹ 10	–	–	75,45,422	1,012
Kotak Bond Short Term Plan - Direct - Growth	₹ 10	90,82,190	3,313	90,82,190	3,059
Kotak Equity Arbitrage Fund Direct Growth	₹ 10	–	–	21,59,370	509
Kotak Flexi debt Fund Direct Plan Growth	₹ 10	–	–	90,80,288	2,090
Kotak Banking and PSU Debt Fund - Direct - Growth	₹ 10	39,27,851	1,688	39,27,851	1,563
Kotak Corporate Bond Fund - Direct - Growth	₹ 1,000	89,285	2,256	89,285	2,079
Kotak Dynamic Bond Fund Direct Growth	₹ 10	90,80,288	2,289	–	–
L&T Arbitrage Opportunities Fund - Direct - Monthly Dividend	₹ 10	–	–	98,59,823	1,011
L&T Triple Ace Bond Fund - Direct - Growth	₹ 10	23,22,638	1,125	23,22,638	1,048
LIC MF Bond Fund Direct Growth	₹ 10	65,62,527	3,310	65,62,527	3,104
Reliance Interval Fund - IV - Series3 - Direct Growth	₹ 10	–	–	50,00,000	622
Reliance Banking & PSU Debt Fund Direct Growth	₹ 10	1,74,68,775	2,376	1,74,68,775	2,203
Reliance Arbitrage Advantage Fund - Direct - Monthly Dividend	₹ 10	–	–	1,76,95,877	1,922
Reliance Floating Rate Fund Direct Growth	₹ 10	37,91,410	1,142	–	–
Reliance Prime Debt Fund Direct Growth	₹ 10	13,05,268	524	–	–
Reliance Liquid Fund Direct Growth	₹ 1,000	14,263	651	–	–
SBI Debt Fund Series - B - 29 (1200 days) - Direct Growth	₹ 10	50,00,000	644	50,00,000	600
SBI Arbitrage Opportunities Fund - Direct - Dividend	₹ 10	–	–	1,35,69,900	1,920
UTI Bond Fund Direct Plan Growth	₹ 10	–	–	59,30,728	3,238
UTI Ultra Short Term Fund Direct Dr	₹ 1,000	34,065	1,069	–	–
UTI Dynamic Bond Fund Direct Plan Growth	₹ 10	–	–	33,03,846	684
UTI Short Term Income Fund Direct Growth	₹ 10	23,45,601	544	–	–
UTI Short Term Income Fund Institutional Option - Direct Growth	₹ 10	–	–	1,64,02,311	3,549
UTI-Liquid Cash Plan -Direct- Growth	₹ 1,000	31,309	957	1,19,843	3,410
UTI Fixed Term Income Fund Series XXIII - XI (1100 days) - Direct Growth	₹ 10	–	–	50,00,000	600
UTI Floating Rate Fund - STP - Direct - Growth	₹ 1,000	–	–	17,525	510
UTI Spread Fund - Direct - Dividend	₹ 10	–	–	1,14,53,617	1,909
			50,354		**85,945**
Total			**52,839**		**88,775**
Aggregate amount of listed but not quoted investments at fair value			644		1,822
Aggregate amount of listed but not quoted investments at cost			500		1,500
Aggregate amount of not listed not quoted investments at fair value			49,710		84,123
Aggregate amount of not listed not quoted investments at cost			44,521		78,253
Aggregate amount of unquoted investments at fair value			2,485		2,830
Aggregate amount of unquoted investments at cost			7,087		7,087

₹ In Lakh

	Particulars	As at March 31, 2019	As at March 31, 2018
9.	**TRADE RECEIVABLES**		
	Secured, considered good *	304	424
	Unsecured, considered good	604	207
	Doubtful	208	421
		1,116	1,052
	Less: Provision for doubtful trade receivables	(208)	(421)
	Total	**908**	**631**
	* 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	473	4,726
	Cheques on hand	–	2
	Total	**473**	**4,728**
11.	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Bank deposits *	3,152	20,027
	Less :Bank deposits with more than 12 months maturity	–	(18,845)
	Bank deposits with less than 12 months maturity	3,152	1,182
	In earmarked accounts		
	– unpaid dividend accounts	65	50
	Total	**3,217**	**1,232**
	*Bank deposits include:		
	(a) Deposits which are earmarked for Settlement Guarantee Fund ₹ Nil (as at March 31 2018: ₹ 4,456 lakh) out of which deposits of ₹ Nil (as at March 31, 2018 : ₹ Nil) are under lien.		
	(b) Deposits other than note (a) which are under lien with banks for overdraft facilities and bank guarantee - ₹ 2,065 lakh (as at March 31, 2018: ₹ 12,093 lakh)		
12.	**LOANS**		
	Loans and advances to employees	21	27
	Total	**21**	**27**
13.	**OTHER CURRENT FINANCIAL ASSETS**		
	Security deposits	300	300
	Secured, considered good :		
	Unbilled revenue*	2,581	2,248
	Unsecured, considered good :		
	Other Receivables	500	11
	Interest accrued but not due on fixed deposits**	475	43
	Interest accrued but not due on Tax free Bonds	1,016	1,167
	Total	**4,872**	**3,769**
	* Secured by cash margins / bank guarantees / fixed deposit receipts and hypothecation of movables such as commodities, etc. from members.		
	** Includes interest of ₹ NIL (as at March 31, 2018: ₹462 lakh) on fixed deposits which are earmarked for Settlement Guarantee Fund.		

₹ In Lakh

	Particulars	As at March 31, 2019	As at March 31, 2018
14.	**OTHER CURRENT ASSETS**		
	a) Unsecured, considered good (unless stated otherwise)		
	Prepaid expenses	1,360	1,288
	Balance with government authorities	526	267
	Advances for supply of services other than capital advances	1,027	1,062
	Other advances	21	30
		2,934	2,647
	(b) Unsecured, considered doubtful		
	Other advances	–	3
	Other recoverable	282	326
	Less : Provision	(282)	(329)
	Total	**2,934**	**2,647**

	Particulars	As at March 31,2019		As at March 31,2018	
		No. of shares	**₹ In Lakh**	**No. of shares**	**₹ In Lakh**
15.	**EQUITY SHARE CAPITAL**				
	Authorized				
	Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000
	Issued				
	Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
	Subscribed and Paid-Up				
	Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
		5,09,98,369	**5,100**	**5,09,98,369**	**5,100**
a.	Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting year :				
	Opening Balance at the beginning of the year	5,09,98,369	5,100	5,09,98,369	5,100
	Add: Shares issued during the year	–	–	–	–
	Closing balance at the end of the year	**5,09,98,369**	**5,100**	**5,09,98,369**	**5,100**

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 31,2019		As at March 31,2018	
	Number of Shares	**% of holding**	**Number of Shares**	**% of holding**
Kotak Mahindra Bank Limited	76,49,755	15%	76,49,755	15%

d. For particulars of options granted under Employee Stock Option Schemes, refer note no.41 on ESOP.

16. OTHER EQUITY

₹ In Lakh

Particulars	Other Equity					Total other equity
	Reserves and Surplus				Other Comprehensive Income	
	Securities Premium	Retained Earnings	ESOP Compensation Reserve	General Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at April 01,2017	**21,684**	**95,670**	**399**	**16,449**	**(3,425)**	**1,30,777**
Profit for the year	–	10,635	–	–	–	10,635
Dividend	–	(7,650)	–	–	–	(7,650)
Dividend distribution tax	–	(1,557)	–	–	–	(1,557)
Equity instruments through other comprehensive income	–	–	–	–	259	259
ESOP Compensation Reserve	–	–	57	–	–	57
Re-measurement of employee benefits obligation and others	–	6	–	–	–	6
Balance as at March 31, 2018	**21,684**	**97,104**	**456**	**16,449**	**(3,166)**	**1,32,527**
Profit for the year	–	13,650	–	–	–	13,650
Dividend	–	(8,670)	–	–	–	(8,670)
Dividend distribution tax	–	(1,782)	–	–	–	(1,782)
Transfer from/(to) Settlement Guarantee Fund	–	5,634	–	–	–	5,634
Equity instruments through other comprehensive income	–	–	–	–	(183)	(183)
Reclassified to retained earning from ESOP Reserve	–	314	(314)	–	–	–
Reclassified to retained earning on disposal	–	98	–	–	(98)	–
ESOP Compensation Reserve	–	–	10	–	–	10
Re-measurement of employee benefits obligation and others	–	(3)	–	–	–	(3)
Balance as at March 31, 2019	**21,684**	**1,06,345**	**152**	**16,449**	**(3,447)**	**1,41,185**

Note:

i) 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.

ii) ESOP Compensation Reserve - Refer Note 41

Notes forming part of the financial statements ***(Contd...)***

₹ In Lakh

	Particulars	As at March 31, 2019	As at March 31, 2018
17.	**SETTLEMENT GUARANTEE FUND (SGF)**		
	Opening balance (cash component)	18,060	17,049
	Add/(Less): Base minimum capital (BMC)	154	(23)
	Add: Settlement related penalties (Net of Tax)	5	24
	Add : Appropriation of dues of defaulting members	–	8
	Add: Income from earmarked investments (Net of Tax)	120	1,002
	On transfer of Clearing and settlement activity to MCXCCL:		
	Less : Transfer of Base Minimum Capital to other Non Current Financial Liabilities	(3,541)	
	Less : Transferred to MCXCCL SGF	(9,164)	–
	Less :Balance transfer to retained earnings	(5,634)	–
	Total	**–**	**18,060**

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 on March 31, 2019 is Nil (as at March 31, 2018 ₹ 5,493 lakh).

(ii) As on March 31, 2018, SGF does not include Base Minimum Capital of Non-SEBI registered members.

₹ In Lakh

	Particulars	As at March 31, 2019	As at March 31, 2018
18.	**OTHER NON CURRENT FINANCIAL LIABILITIES**		
	Trade / Security deposits from		
	– Members*	4,005	330
	Total	**4,005**	**330**

*includes Base Minimum Capital from members as on March 31,2019 and from non-SEBI registered members as on March 31, 2018; in addition to the cash component of Base Minimum Capital, the amount of bank guarantees/fixed deposits receipts (Non cash component) forming part of base minimum capital as on March 31, 2019 is ₹5,739 lakh

19.	**NON CURRENT PROVISIONS**		
	Provision for Compensated absences (Refer note 40)	117	148
	Total	**117**	**148**
20.	**TRADE PAYABLES**		
	Due to Micro and Small Enterprises (Refer note. 47)	3	12
	Due to Others	3,449	4,128
	Total	**3,452**	**4,140**

₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
21. OTHER CURRENT FINANCIAL LIABILITIES		
Advance received from members and applicants towards		
– Trading Margin from Members (Refer note 49)	–	27,069
– Member's Security Deposits	505	752
– Application Money (pending admission)	48	51
– Networking Equipment Deposits	4	20
– Trade / Security deposits from Settlement bankers (Refer note 49)	–	1,900
Employee benefits payable	373	–
Payable for purchase of fixed assets	737	383
Security deposits from Depository participants	54	2
Total	**1,721**	**30,177**
22. OTHER CURRENT LIABILITIES		
Statutory remittances	2,184	1,769
Payable to Multi Commodity Exchange Investor Protection Fund (IPF)	350	378
Investor Services Fund (ISF)#	333	4
SEBI regulatory fund	5	–
Payable to employees	13	52
Advance received from members and applicants	752	771
Income received in advance	109	24
Unclaimed dividends *	65	50
Total	**3,811**	**3,048**

SEBI vide its circular CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13,2017 has mandated to set up Investor Service Fund (ISF) for providing basic minimum facilities at various Investor Service Centers. Accordingly, Contribution during the year ₹ 405 lakh and utilized ₹ 75 Lakh (previous year ended March 31,2018 ₹195 lakh and ₹191 lakh respectively)
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Particulars	As at March 31, 2019	As at March 31, 2018
23. CURRENT PROVISIONS		
Provision for Compensated absences (Refer note. 40)	21	28
Provision for Gratuity (Refer note. 40)	153	62
Total	**174**	**90**
24. INCOME TAX LIABILITIES (NET)		
Provision for tax [net of advance tax ₹296 lakh (as on March 31, 2018 ₹2,181 lakh)]	2,750	805
Total	**2,750**	**805**

Notes forming part of the financial statements *(Contd...)*

₹ In Lakh

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
25. REVENUE FROM OPERATIONS			
Sale of Services			
Transaction fees		28,331	23,892
Annual subscription fees		269	317
Membership admission fees		–	102
Terminal charges		48	51
		28,647	24,362
Other operating revenues			
Connectivity Income		650	977
Other recoveries from members			
– Penalties (net of transfer to SGF)		–	67
– Others		135	134
Data feed Income		342	329
Warehouse Income		63	115
		1,188	1,622
	Total	**29,835**	**25,984**
26. OTHER INCOME			
Dividend income from mutual funds		194	327
Interest income:			
– on bank deposits		653	2,080
– on Tax Free Bonds		2,082	2,174
– from Others#		0	4
		2,735	4,258
Net gain on sale of :			
– current investments		637	812
– long-term investments		3,671	235
Gain/(loss) on fair valuation of Mutual Funds		1,166	2,859
Gain/(loss) on fair valuation of Bonds		(666)	88
		4,808	3,994
Rental income from operating lease		139	–
Provisions/Liability no longer required written back*		354	19
Miscellaneous income		407	38
	Total	**8,637**	**8,636**
#0 represents ₹0.25 lakh			
*net of bad debts ₹ 1,015 lakh for Financial year 2017-18			
27. EMPLOYEE BENEFITS EXPENSE			
Salaries and wages		6,034	6,290
Contribution to provident and other funds		306	309
Staff welfare expenses		167	140
Share based payment to employee		10	57
	Total	**6,517**	**6,796**
28. CLEARING AND SETTLEMENT FEES			
– Clearing and Settlement Fees (Refer note 49)		2,142	–
	Total	**2,142**	**–**

₹ In Lakh

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
29.	**FINANCE COSTS**		
	Interest expenses on :		
	– Others	3	–
	Total	**3**	**–**
30.	**SOFTWARE SUPPORT CHARGES AND PRODUCT LICENSE FEES**		
	Software support charges	3,617	4,021
	Product License fees	1,635	923
	Total	**5,252**	**4,944**
31.	**COMPUTER TECHNOLOGY AND COMMUNICATION EXPENSES**		
	Computer Technology expenses	1,454	1,417
	Communication expenses	394	874
	Total	**1,848**	**2,291**
32.	**OTHER EXPENSES**		
	Advertisement	187	264
	Electricity charges	295	325
	Rent	140	333
	Repairs and maintenance - others	210	325
	Insurance	45	52
	Rates and taxes	23	23
	Travelling and conveyance	293	471
	Printing and stationery	19	52
	Business promotion	261	223
	CSR related expenses (Note No. 43)	252	181
	Legal and Professional Charges	839	539
	Sponsorships and Seminar expenses	58	130
	Membership fees and subscriptions	100	106
	Security service charges	111	121
	SEBI - Exchange regulatory fees	436	363
	Payment to the auditors		
	– For audit	20	20
	– For taxation matters	3	3
	– For other services	3	1
	– Reimbursement of out of pocket expenses	–	1
		25	25
	Contribution to Multi Commodity Exchange Investor Protection Fund (IPF)	465	191
	Contribution to Investor Service Fund	405	195
	Contribution to Settlement Gurantee Fund	65	–
	Net loss on foreign currency transactions and translations	16	18
	Loss on fixed assets sold/scrapped*	4	0
	Directors Sitting fees	72	67
	Office expenses	255	273
	Miscellaneous expenses	239	244
	Total	**4,816**	**4,521**

*0 represents ₹0.04 lakhs for FY 2017-18

Notes forming part of the financial statements *(Contd...)*

₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
33. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
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) (Refer note 46) (Net of rectification order)	10,928	3,054
– Sales tax demands against which the Company is in appeals	–	1,015
– Service tax (CENVAT credit)	26	26
– Others (excluding interest)	30	67
Bank guarantee given*	1,127	1,127
Capital Commitments:		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	675	850

* Bank guarantee as on 31.03.2019 includes, Expired BG amounting to ₹ 762 Lakh (expired on 11-01-2019)

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 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.

34. TAXATION

The Major component of tax expenses for the year are as under :

₹ In Lakh

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Current income tax (MAT)	2,308	2,836
Deferred Tax	92	931
Minimum Alternate Tax (MAT) credit entitlement	(2,065)	0
Total Income Tax Expense	**335**	**3,767**

Reconciliation of tax expense and the accounting profit for the year is as under:

₹ In Lakh (as otherwise stated)

Particulars	Year ended	
	March 31, 2019	**March 31, 2018**
Profit / (loss) before tax	13,985	14,402
Applicable tax rate	34.944%	34.608%
Computed expected tax expense	4,887	4,984
Add:		
Expenses disallowed	709	916
Income not considered in Profit & Loss Account	430	177
Long Term Capital Gain on Tax Free Bond	876	–
Less:		
IND AS Impact (Net)	(492)	(1,029)
Expenses allowed	(796)	(1,086)
Exempt income	(1,807)	(1,124)
Contribution to SGF (Refer note 45)	(2,751)	–
Capital Gain/(Loss)	–	(2)
Normal Income Tax Liability	1,055	2,836
MAT-Income Tax Liability	2,690	–
Excess provision for tax relating to previous years	(382)	–
Income tax expense per Profit & Loss Account	**2,308**	**2,836**
Effective Tax Rate	**16.50%**	**19.69%**

Deferred tax relates to the following:

₹ In Lakh

Particulars	Balance Sheet	
	As at March 31, 2019	**As at March 31, 2018**
Expenses allowable on payment basis	126	131
Other items giving rise to temporary differences (including impact on fair value of investments)	(497)	(619)
Difference between WDV of Property, Plant and Equipment as per books of accounts & Income Tax	(1,315)	(1,216)
Minimum Alternate Tax (MAT) credit entitlement (Refer note 45)	2,065	–
Deferred tax asset / (liability)	**378**	**(1,705)**

Reconciliation of deferred tax assets / (liabilities) net:

₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	(1,705)	(749)
Tax income / (expense) during the period recognized in profit & loss account	(92)	(931)
Differences on other comprehensive income	110	(24)
Minimum Alternate Tax (MAT) credit entitlement	2,065	–
Closing Balance	**378**	**(1,705)**

35. SEGMENT REPORTING

IND AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services, and geographical areas. 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. Further, since the Company renders services only in the domestic market in India and there is no geographical segment.

36. FOREIGN CURRENCY TRANSACTIONS

₹ In Lakh

Particulars	Year ended	
	March 31, 2019	**March 31, 2018**
Expenditure in Foreign Currency		
– License Fees	1,635	923
– Repairs and Maintenance-Others	–	12
– Membership and Subscription	27	6
– Professional Charges	5	106
– Computer Technology and Communication expenses	46	19
– Travel & Conveyance*	–	0
– Registration Fees	7	–
– Seminar & conference expenses	6	–
– Software License Fees Exp	3	–
– Loss from exchange rate fluctuation	2	–
– Advertisement expenses-Sales	2	–
– Honorarium Charges	1	–
– Sponsorship Expenses	1	–
– Bank charges	2	1
– Courier charges#	0	–
Earnings in Foreign Exchange		
– Data feed income	91	98

* 0 represents ₹ 0.07 lakhs
# 0 represents ₹ 0.02 lakhs

37. OPERATING LEASES

The Company has entered into 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 Lakh

Particulars	Year ended	
	March 31, 2019	**March 31, 2018**
Lease rentals (Included in Rent - Note No. 32)	74	77

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Obligations on Non Cancellable Lease		
Not later than 1 year	100	124
Later than 1 year but not later than 5 years	80	152
Later than 5 years	–	–

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.The operating leases referred above include leases relating to Investor Services Fund.

38. 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	Year ended	
	March 31, 2019	March 31, 2018
Weighted Average Shares Outstanding - Basic	5,08,67,930	5,08,60,437
Effect of dilutive securities on account of ESOP	(27,249)	(32,118)
Weighted Average Shares Outstanding - Diluted	5,08,40,681	5,08,28,319

Net Profit available to equity shareholders of the company used in the Basic and Diluted Earnings per Equity Share was determined as follows:

₹ In Lakh, except EPS

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Earnings available to equity shareholders	13,650	10,635
Earnings available for equity shareholders for diluted earnings per share	13,650	10,635
Basic Earnings per Share	26.83	20.91
Diluted Earning per Share	26.83	20.91

39. RELATED PARTY INFORMATION

Names of related parties and nature of relationship:

Nature of relationship	Name of Related Party
Subsidiary Company	Multi Commodity Exchange Clearing Corporation Limited (MCX CCL)
Associate Company	CDSL Commodity Repository Limited
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)
	* Sitting fees are paid directly to the nominee institutions
Independent Directors	Mr. Saurabh Chandra (w.e.f. 03.07.2016)
	Mr. Arun Bhargava (upto 06.03.2019)
	Mr. Arun Kumar Nanda (upto 18.05.2018)
	Dr. Govinda Marapalli Rao (upto 07.08.2018)
	Mr. Prithvi Haldea (w.e.f. 25.10.2016)
	Mr. Subrata Kumar Mitra (upto 18.05.2018)
	Mr. Shankar Aggarwal (w.e.f. 01.10.2017)
	Ms. Pravin Tripathi (upto 12.08.2017)
	Mr. Basant Seth (w.e.f 19.05.2018)
	Dr. Deepali Pant Joshi (w.e.f 08.08.2018)
Key Managerial Personnel (KMP)	Mr. Mrugank Paranjape, MD & CEO (w.e.f. 09.05.2016)
	Mr. Parveen Kumar Singhal,(President & Whole Time Director) : upto 13.10.2017)
	Mr. Sanjay Wadhwa, Chief Financial Officer (w.e.f. 27.02.2017)
	Mr. Ashwin Patel, Company Secretary (upto 06.11.2018)
	Mr. Ajay Puri, Company Secretary (w.e.f. 07.12.2018)

Notes forming part of the financial statements ***(Contd...)***

Nature of relationship	Name of Related Party
	Others:
	Mr. Narendra Kumar Ahlawat, Chief Regulatory Officer (upto 31.03.2018)
	Mr. Girish Dev, Chief Regulatory Officer (w.e.f. 01.04.2018)
	Mr. Rahi Racharla, Chief Information Officer, Technology (upto 17.08.2018)
	Mr. Pareshnath Paul Chief Information Officer, Technology (w.e.f. 11.02.2019)
	Mr. Praveen Dalvani Ganapathi#
	Mr.Venkatachalam Shunmugam#
	Mr. Chittaranjan Rege#
	Mr.Himanshu Ashar#
	Mr. Rajendra Gogate#
	Mr. Sanjay Gakhar#
	Mrs. Neetu Juneja#
	Mr. Deepak Mehta#
	Mr. Shivanshu Mehta#
	Mr. Arvind Sharma#
	Mr. Chandrakant Upadhyay#
	Mr. Jayaprakash Menon#
	Mr. Sudeendra Venkatesh Nadager# (upto 16.11.2018)
	Mr. Sanjay Golecha#
	Mr.Rishi Nathany#
	Mr. Sunil Kurup#
Others	
Relatives of KMPs or company in which KMP is interested and where transaction exists	–
Employee Welfare Trust	MCX ESOP Trust

#Identified as KMP's under SECC Regulations, 2018 by the Nomination and Remuneration Committee, in its meeting held on November 16, 2018, hence transactions with them considered from Oct-Dec'18 quarter onwards.

Transactions with related parties:

The details of transactions with related parties for year ended March 31, 2019 are as follows:

₹ In Lakh

Particulars	Subsidiary	Associate	Others					Total
	MCX CCL	CDSL Commodity Repository Limited	MCX ESOP Trust	Shareholder's Directors	Independent Directors	KMPs	Relatives of KMPs or company in which KMP is interested	
Transactions								
Re-imbursements charged to the company	–	–	–	–	6	21	–	27
Purchase consideration under Business Transfer Agreement	33,132	–	–	–	–	–	–	33,132
MCX contibution towards SGF transfer	7,938	–	–	–	–	–	–	7,938
Recoveries charged by the company	19	–	1	–	–	–	–	20
Clearing & settlement fees	2,142	–	–	–	–	–	–	2,142
Annual Subscription fees	60	–	–	–	–	–	–	60
Rent Deposit & Rent Income	196	–	–	–	–	–	–	196
IT and other infrastructure charges	1,273	–	–	–	–	–	–	1,273
Sitting Fees Paid	–	–	–	48	110	–	–	159
Dividend paid	–	–	22	–	–	–	–	22
Loans & Advances	1,685	–	–	–	–	–	–	1,685
Interest receivable on loans & advances	10	–	–	–	–	–	–	10
Balances as at March 31, 2019								
Investments	23,999	1,200	–	–	–	–	–	25,199
Outstanding Balance receivable / (payable)	821	–	–	–	–	–	–	821

The details of amounts due to or due from related parties as at March 31, 2018 are as follows:

₹ In Lakh

Particulars	Subsidiary		Others					Total
	MCX CCL	MCX IPF#	MCX ESOP Trust	Shareholder's Directors	Independent Directors	KMPs	Relatives of KMPs or company in which KMP is interested	
Transactions								
Re-imbursements charged to the company	–	1	–	–	2	5	–	8
Recoveries charged by the company	86	37	–	–	–	–	–	123
Software Licence Fees	–	–	–	–	–	–	1	1
Dividend paid	–	–	21	–	–	–	–	21
Contribution to IPF	–	69	–	–	–	–	–	69
Penalties /Non Compliance Charges	–	1,328	–	–	–	–	–	1,328
Sitting Fees Paid	–	–	–	43	89	–	–	132
Balances as at March 31, 2018								
Investment	10,600	–	–	–	–	–	–	10,600
Outstanding Balance receivable / (payable)	12	220	–	–	–	–	–	232

#Pursuant to SEBI circular no. CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13, 2017, MCX IPF Trust has ceased to be a related party w.e.f. July 01, 2017. Accordingly for FY 2017-18, transactions upto June 30, 2017 are considered as related party. Closing balance includes transactions from July 01, 2017 to March 31, 2018

Terms and conditions of transactions with related parties

The services provided to and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payable.

Compensation of key managerial personnel of the company

(₹ In Lakh)

Particulars	2018-19	2017-18
Short-term employment benefits	946	709
Post-emplyment benefits	33	–
Termination benefits	–	–
Share-based payments	–	–

Transactions with Key Managerial Personnel :

(₹ In Lakh except as otherwise stated)

Nature of Transactions	Year ended	
	March 31, 2019	March 31, 2018
1. Salary and Allowances Paid/payable to KMPs*:		
Mr. Parveen Kumar Singhal	–	146
Mr. Mrugank Paranjape	229	253
Mr. Sanjay Wadhwa	82	66
Mr. Ajay Puri	21	28
Mr. Ashwin Patel	19	34
Others	594	182
2. Dividend paid to KMPs:		
Mr. Parveen Kumar Singhal	–	0.69
Others	–	0.00

(₹ In Lakh except as otherwise stated)

Nature of Transactions	Year ended	
	March 31, 2019	**March 31, 2018**
3. Employee Stock Options (ESOP Scheme 2008):	**In Numbers**	**In Numbers**
Opening Balance at the beginning of year		–
ESOPs held by KMPs identified as per SECC	3,640	–
Add: Options granted during the year	–	–
Less: Options Cancelled/ forfeited	(3,640)	
Less : Exercised during the year	–	–
Closing Balance at the end of the year	–	–

* 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.

40. EMPLOYEE BENEFIT PLANS:

1. 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, 2019 and March 31, 2018.

₹ In Lakh

Particulars	Year ended	
	March 31, 2019	**March 31, 2018**
Change in benefit obligations		
Present Value of Benefit obligation at the beginning of the year	628	566
Interest Cost	49	41
Current Service Cost	93	87
Liability transferred out/Disinvestment	(121)	
Gains/Losses on Curtailment	–	–
Transfer of obligation	–	–
Benefits paid from the Fund	(58)	(56)
Actuarial (Gains)/Losses on obligations - due to change in finanancial assumptions	(1)	(41)
Actuarial (Gains)/Losses on obligations - due to experience*	(0)	31
Present Value of Benefit obligations at the end of the year	**590**	**628**

₹ In Lakh

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Change in plan assets		
Fair value of plan assets at the beginning of the year	565	450
Interest Income	44	33
Transfer of assets	–	–
Assets Transferred out/ disinvestment	(121)	–
Remeasurements - Return on plan assets excluding amounts included in interest income*	(6)	(0)
Contributions by the employer	12	140
Benefits paid from the fund	(58)	(56)
Fair value of plan assets at the end of the year	**437**	**565**
Net (liability)/ asset recognised in the Balance Sheet	**(153)**	**(62)**

*0 represents ₹ -0.16 lakh

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the Statement of Profit and Loss under employee benefits expenses.

₹ In Lakh

Recognized in Profit and Loss	Year ended	
	March 31, 2019	March 31, 2018
Current Service Cost	93	87
Net Interest Cost	5	8
Gains/Losses on Curtailment	–	–
Expenses Recognized	**98**	**96**

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in statement of other comprehensive income:

₹ In Lakh

Recognized in Other Comprehensive Income	Year ended	
	March 31, 2019	March 31, 2018
Actuarial (gains) / losses on obligation for the year	(1)	(10)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)*	6	0
Change in Asset Ceiling	–	–
Net (Income)/Expense for the year recognized in OCI	**5**	**(10)**

*0 represents ₹ 0.16 lakh

The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below:

Weighted Average Actuarial Assumptions	As at March 31, 2019	As at March 31, 2018
Discount rate	7.79%	7.78%
Weighted average rate of increase in compensation levels	7.50%	7.50%
Weighted average duration of defined projected benefit obligation	15	15

Notes forming part of the financial statements *(Contd...)*

Sensitivity Analysis	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	590	628
Delta Effect of +1% change in rate of Discounting	(68)	(74)
Delta Effect of -1% change in rate of Discounting	81	88
Delta Effect of +1% change in rate of Salary Increase	80	88
Delta Effect of -1% change in rate of Salary Increase	(69)	(75)
Delta Effect of +1% change in rate of Employee Turnover*	0	(0)
Delta Effect of -1% change in rate of Employee Turnover#	(0)	0

*represents ₹0.16 lakh for FY 2018-19 and ₹-0.28 lakh for FY 2017-18

#represents ₹-0.40 lakh for FY 2018-19 and ₹0.03 lakh for FY 2017-18

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 ₹153 lakhs to the plan assets during financial year 2019-20.

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 Lakh

Projected Benefits Payable in Future Years from the Date of Reporting	March 31, 2019	March 31, 2018
Within 1 year	30	13
1-2 year	13	14
2-3 year	18	33
3-4 year	18	19
4-5 year	32	27
5-10 years	128	174
11 years and above	1,669	1,794

1. 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 ₹224 Lakhs (Previous Year ₹ 214 Lakh) Refer Note No. 27

₹ In Lakh

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Contribution to Provident and Family Pension Fund	206	211
Contribution to Employees State Insurance Scheme (ESIC)*	0	1
Contribution to Labour Welfare Fund	16	–
Contribution to Employees Deposit Linked Insurance (EDLI)	2	2

*represents ₹0.39 lakh for FY 2018-19

2) Other Long term employee benefits

Privilege Leave and Sick Leave assumptions

The liability towards compensated absences (Privilege leave and Sick leave) for the year ended March 31, 2019 based on acturial valuation carrried out by using Projected Accrual Benefit method resulted in decrease in liability by ₹38 lakh. (Previous year - decreased by ₹77 lakh)

a) Financial assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.79 % p.a.	7.78 % p.a.
Salary escalation rate	7.50 % p.a.	7.50 % p.a.

b) Demographic assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Employee turnover		
For service 4 years and below	10.00 % p.a.	10.00 % p.a.
For service 5 years and above	2.00 % p.a.	2.00 % p.a.

Mortality rate Indian Assured Lives Mortality (2006-08) Ultimate

41. 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	3,91,725	₹ 144.00	2-Jul-08
2 July 2008 to 2 July 2010	3,91,725	₹ 144.00	
2 July 2008 to 2 July 2011	5,22,300	₹ 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	1,32,700	₹ 390.00	
3 October 2012 to 3 October 2013	3,000	₹ 1,282.75	03-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	

Vesting period	No. of Options granted	Exercise Price	Grant Date
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 Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Expense arising from equity settled share based payment transactions	10	57

The activity in the 2008 Plan for equity-settled share based payment transactions during the year ended March 31, 2019 is set out below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	76,785	851.10	95,484	851.12
Granted during the year	–		–	
Forfeited and lapsed during the year	35,757	851.10	8,072	851.38
Exercised during the year	–		10,627	851.10
Outstanding at the end of year	**41,028**	**851.10**	**76,785**	**851.10**
Exercisable at the end of year	**41,028**		**27,657**	

During the year, company transferred 61 employees to its subsidiary company (MCXCCL) on 01.09.2018. Outstanding ESOP pertaining to transferred employees were 3690 on the date of transfer. Subsequently, 6660 ESOP got vested on 11th nov 2018 (4th Tranche), out of which 1760 esop's of identified KMP's of MCXCCL were cancelled/forfeited. Outstanding ESOP as on 31.03.2019 of MCXCCL employees are 4900.

Lapsed options available for reissuance are 89,411 (As at March 31, 2018: 53,654) 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, 2019:

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	–	–	–	–	–
03-Oct-12	–	–	–	–	–
19-Apr-13	–	–	–	–	–
19-Feb-14	–	–	–	–	–
11-Nov-14	41,028	0.61	₹ 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 A pril 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	**03-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

42. FINANCIAL INSTRUMENTS

(a) 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, 2019 were as follows:

₹ In Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets at amortized cost:				
Cash and cash equivalents (Refer Note No 10)	473	473	4,728	4,728
Bank Balances (Refer Note No. 11)	3,217	3,217	1,232	1,232
Bank deposits with original maturity of more than twelve months (Refer Note No 5)	–	–	18,845	18,845
Unbilled Revenue (Refer Note No 13)	2,581	2,581	2,248	2,248
Trade receivables (Refer Note No 9)	908	908	631	631
Loans (Refer Note No 12)	21	21	27	27
Other financial assets (Refer Note No 5, 7 & 13)	1,455	1,455	619	619
Financial Liabilities at amortized cost:				
Trade payables (Refer Note No 20)	3,452	3,452	4,140	4,140
Other financial liabilities (Refer Note No 18 & 21)	5,726	5,726	30,124	30,124
Fair value through profit or loss:				
Investments (Refer Note No 4 & 8)				
Tax free bonds	26,905	26,905	34,742	34,742
Mutual Funds	70,612	70,612	93,142	93,142
Fair value through OCI:				
Investments in unquoted equity shares of subsidiary	23,999	23,999	10,600	10,600
Investments in unquoted equity shares of other entities	2,485	2,485	3,129	3,129

Note : Investment in equity instrument 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.

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.

(b) Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2019:

₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Financial Assets				
Investments in Mutual Funds (FVTPL)	70,612	93,142	1 & 2	1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Investments in tax free bonds (FVTPL)	26,905	34,742	1 & 2	1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Investments in equity instruments (FVTOCI)	26,484	13,729	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Particulars	As at March 31, 2019	As at March 31, 2018	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Financial 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 anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(c) Financial risk management

1. 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.

2. 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.

3. 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.

4. 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.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

₹ In Lakh

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹ In Lakh	Amount in Foreign Currency	₹ In Lakh	Amount in Foreign Currency
Trade receivables				
In USD	17	23,971	5	7,633
Trade Payables				
In USD	3	4,553	98	1,50,716
In GBP	130	1,44,112	268	2,90,689

5. Sensitivity Analysis

A Change of 5% in Foreign currency would have following impact on Profit before tax ₹ In Lakh

Particulars	2018-19		2017-18	
	5% Increase	5% decrease	5% Increase	5% decrease
Trade Payables/Receivables				
USD	1	(1)	(5)	5
GBP	(7)	7	(15)	15

6. Derivative financial instruments

The company has not entered into any forward exchange contract being derivative instruments.

7. 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 ₹ 1,116 lakhs and ₹ 631 lakhs as at March 31, 2019 and March 31, 2018 respectively and unbilled revenue amounting to ₹ 2,581 lakhs and ₹ 2,248 lakhs as at March 31, 2019 and March 31, 2018 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 Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Less than 6 months	908	619
More than 6 months	208	11
Total	**1,116**	**631**

Movement in provisions of doubtful debts ₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Opening provision	421	1,436
Add: Additional provision made	11	–
Less: Provision reversed	80	19
Less: Bad debt written off	144	996
Closing provision	**208**	**421**

8. 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 unutilized sanctioned bank overdraft limits as at the respective year end.

₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Expiring within one year (bank overdraft)	935	9,635

(ii) Maturity patterns of other Financial liabilities ₹ In Lakh

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payable	–	–
Less than 6 months	3,445	4,136
More than 6 months	7	4
Total	**3,452**	**4,140**

9. Capital Risk Management

(a) Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize 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.

10. Regulatory risk

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various commodities The Company's operations are subject to continued review and the governing regulations changes. The Company's regulatory team constantly monitors the compliance with these rules and regulations. The Company's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to the functioning of the Company.

43. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

₹ In Lakh

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount required to be spent as per Section 135 of the Act	270	287
Amount spent during the year on:		
(i) Construction / acquisition of an asset	–	–
(ii) On purpose other than (i) above	252	181
Total	**252**	**181**

44. Exceptional items At the beginning of the financial year, i.e., April 01, 2018, the Company had a portfolio of tax free bonds, with a cost base of ₹ 30,836 Lakh. The Company has valued the said portfolio of tax free bonds on Security Level Valuation (SLV) approach which seeks to capture the fair valuation on daily basis by computing the present value of all future cash flows instead of valuation approach prescribed by FIMMDA hitherto followed by the Company. The present value under SLV approach is calculated by discounting the future cash flows, factoring yield from the specific yield curve as applicable for the respective tenor of each security. The SLV approach is widely accepted by Market Participants such as Mutual funds, Insurance Companies, FII's and Corporates. Fair value loss as at April 1, 2018, amounting to ₹ 2,380 Lakh attributable to change in approach is disclosed as an exceptional item.

45. As per Circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 issued by the Securities and Exchange Board of India ("SEBI") regarding a Core Settlement Guarantee Fund ("SGF"), every stock exchange shall contribute at least 25% of the Minimum Required Corpus to a Core SGF established and maintained by its clearing corporation. Accordingly, during the year, the Company has contributed ₹ 7,938 lakh towards Core SGF.The said contribution, being an expenditure allowable under section 37 of The Income Tax Act, 1961, has resulted in tax payable u/s 115JB (Minimum Alternate Tax) under the Income Tax Act, 1961. Further, in accordance with the guidance note issued by the Institute of Chartered Accountants of India on "Accounting for credit available in respect of MAT under the Income Tax Act, 1961", the

Company can recognize MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

Accordingly, the Company has recognized MAT credit entitlement of ₹2,065 Lakh for the year.

46. During the year, Hon'ble Bombay High Court has dismissed department order of Special audit u/s 142(2A) for AY 2010-11, 2011-12 and 2014-15. However, for AY 2015-16 Hon'ble Bombay High Court has issued order in favor of the department. Pursuant to the reopening of assessment for AY 2010-11 u/s 148, Department has issued re-assessment order u/s. 143(3) of the Income Tax Act, 1961 determining a demand of ₹ 5,160 lakh (including Interest of ₹ 2,731 lakh u/s 234B). For AY 2014-15 assessing officer has completed the assessment and issued order u/s. 143(3) of the Income Tax Act, 1961 determining a demand of ₹ 3,331 lakh (including Interest of ₹1,314 lakh u/s 234B). Further, for AY 2013-14, Transfer pricing officer had passed an order in FY 2016-17 determining a demand of ₹ 2,774 lakh (including interest of ₹ 868 lakh u/s 234). Company is contesting the above demands and the management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operation. Accordingly no provision has been made as on 31st March 2019 and the above amounts are shown under contingent liabilities. "

47. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

₹ In Lakh

Particulars		**As at 31.03.2019**	**As at 31.03.2018**
(i)	Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)	–	–
	Principal amount due to micro and small enterprise	3	12
	Interest due on above	–	–
(ii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	–	–
(iii)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
(v)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

48. (A) Disclosure as per Regulation 53(f) of SEBI(Listing Obligation and Disclosure Requirements) Regulations:

Loans and Advances in the nature of loans given to subsidiaries, associates and others and investments in shares of the Company by such parties:

₹ In Lakh

Name of Party and Relationship	**Amount outstanding at March 31, 2019**	**Amount outstanding at March 31, 2018**	**Maximum balance outstanding during the year March 31, 2019**	**Maximum balance outstanding during the year March 31, 2018**
Multi Commodity Exchange Clearing Corporation of India Limited (MCXCCL) - Wholly Owned Subsidiary Company	–	–	1,250	–

The above loans was given to the subsidiary for its business activities.

(B) Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are as follows:

(i) Details of Investments made are given in Note 4.

(ii) During the year amount of ₹ 1,685 Lakh has been given as loans to Multi Commodity Exchange Clearing Corporation of India Limited (MCXCCL) a Wholly Owned Subsidiary Company with interest rate of 7.5%.

(iii) There are no guarantees issued in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.

49. During the current year, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL), a wholly owned subsidiary for the Company, has been granted approval by SEBI to act as a Clearing Corporation vide letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/21541/1 dated August 01, 2018. Therefore, the clearing and settlement division of the Multi Commodity Exchange of India Ltd (MCX) was transferred to MCXCCL by executing a Business Transfer Agreement with MCX. The said transfer; on a Slump Sale basis, was effective September 01, 2018. Post this transfer, MCXCCL commenced clearing and settlement operations.

Further pursuant to the agreement following assets & liabilities have been transferred to MCXCCL by MCX:

₹ In Lakh

Particulars	Assets	Liabilities
Clearing Banks Deposit	–	1,900
WSP Deposit	–	116
Initial Margin	–	26,645
Member's obligation for transaction fees	–	77
Trading Member Cash Deposit	–	239
Margin shortfall block amount	–	2
Leave Encashment	–	33
Motor Cars	21	–
E-warehousing Software	82	–
Total	**103**	**29,012**

50. EVENT OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors has recommended Equity dividend of ₹ 20 per share (Previous year ₹ 17/-) for the financial year 2018-19.

Dividend

₹ In Lakh except equity shares

Particulars	As at March 31, 2019	As at March 31, 2018
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2019 of ₹ 20/- (March 31, 2018 - ₹ 17/-) per fully paid share	10,200	8,670
Dividends not recognized at the end of the reporting period	10,200	8,670

51. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.

52. The Financial Statements were approved by the Audit Committee & Board of Directors on April 25, 2019.

For and on behalf of the Board of Directors

Mrugank Paranjape
Managing Director & CEO
DIN : 02162026

Saurabh Chandra
Chairman
DIN : 02726077

Shankar Aggarwal
Director
DIN : 02116442

Ajay Puri
Company Secretary

Sanjay Wadhwa
Chief Financial Officer

Mumbai, April 25, 2019