



NATIONAL COMMODITY CLEARING LIMITED

CIN: U74992MH2006PLC163550

A wholly owned subsidiary of

National Commodity & Derivatives Exchange Limited ('NCDEX'/ 'the Exchange')

Company Information

<p>Board of Directors</p>	<p>Mr. R. Ramaseshan : Chairman and Public Interest Director <i>(appointed as Public Interest Director w.e.f. May 10, 2018)</i> <i>(Chairman w.e.f. May 23, 2018)</i></p> <p>Mr. R. Venkatraman : Public Interest Director <i>(w.e.f. May 10, 2018)</i></p> <p>Mr. Siddhartha Roy : Public Interest Director <i>(w.e.f. May 10, 2018)</i></p> <p>Mrs. Shanthi Srikant : Public Interest Director <i>(w.e.f. May 10, 2018)</i></p> <p>Mr. Laxmikant Gupta : Shareholder Director <i>(appointed as Additional Director w.e.f. April 7, 2017)</i> <i>(appointed as Shareholder Director w.e.f. May10, 2018)</i> <i>(resigned as Shareholder Director w.e.f. close of business hours on August 16, 2018)</i></p> <p>Mr. Atul Roongta : Shareholder Director <i>(appointed as Additional Director w.e.f. January16, 2018)</i> <i>(appointed as Shareholder Director w.e.f. May10, 2018)</i></p> <p>Mr. Jayant Nalawade : Additional Director <i>(resigned w.e.f. April 7, 2017)</i></p> <p>Mr. Vijay Kumar V : Additional Director <i>(appointed as Additional Director w.e.f. February 14, 2018)</i> <i>(resigned w.e.f. May 11, 2018)</i></p> <p>Mr. M. K. Ananda Kumar : Director <i>(upto January 16, 2018)</i></p> <p>Mr. Samir Shah : Director <i>(upto February 14, 2018)</i></p>
<p>Chief Financial Officer</p>	<p>Ms Komal Shahani <i>(w.e.f. June 21, 2018)</i></p>
<p>Chief Operating Officer</p>	<p>Mr Hemant Singhvi <i>(w.e.f. June 21, 2018)</i></p>

Company Secretary	Mr Rahul Poojari (<i>w.e.f. July 12, 2018</i>)
Registered Office	1 st Floor, Ackruti Corporate Park, L. B. S. Road Kanjurmarg West, Mumbai 400 078. Email Id: rahul.poojari@nccl.co.in Website: www.nccl.co.in Tel: +91 22 62804900 Fax: + 91 22 66406713 CIN: U74992MH2006PLC163550
Statutory Auditors	M/s. Haribhakti & Co. LLP (<i>upto 12th Annual General Meeting</i>) Chartered Accountants, (Firm No. 103523W/W100048) M/s. Khandelwal Jain & Co (<i>proposed from 12th Annual General Meeting</i>) Chartered Accountants, (Firm No. 105049W)
Secretarial Auditors	M/s. Ragini Chokshi & Co.
Bankers	ICICI Bank Limited HDFC Bank Limited AXIS Bank Limited
Registrar and Share Transfer Agents	Link Intime India Private Limited C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai – 400083

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present the Twelfth Annual Report on the operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2018.

1. FINANCIAL PERFORMANCE:

(Amount in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Total income	516.84	551.25
Total Expenditure other than depreciation	358.50	310.78
Profit before taxation and Depreciation	158.34	240.47
Depreciation	10.49	109.13
Profit before tax	147.85	131.34
Less: Provision for tax (including deferred tax)	(40.66)	(42.07)
Net Profit after taxation	107.19	89.27
Add: Surplus brought forward from previous year	862.96	773.69
Profits available for appropriation	107.19	89.27
Balance carried forward	970.15	862.96

2. STATE OF COMPANY'S AFFAIRS:

The Company is a wholly owned subsidiary of National Commodity & Derivative Exchange Limited (NCDEX) providing IT and process support in respect of clearing and settlement of trades done in the derivatives segment. The clearing and settlement covers products ranging from agricultural commodities to base metals, ferrous metal, energy, and precious metals. NCCL carries out funds settlement through 12 clearing banks.

A summary of trading, settlement and collateral details for the financial year 2017-2018 is given below:-

Trading

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Number of trades	10701626	10257545	1,70,46,285	1,58,51,885
Trading Quantity	130340649	125083664	21,42,80,389	19,45,41,823
Trading value (₹ In crores)	589496.67	596851.98	10,19,588.26	9,04,062.65

Settlement

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
MTM Settlement (₹ In crores)	4106.38	3578.77	7490.6	6988.72
Physical Settlement (₹ In crores)	2164.89	1667.93	3794.44	3667.65

Collateral Processed

Particulars Instrument	2017-2018		2016-2017		2015-2016		2014-2015	
	Count	Amount (₹ In crores)	Count	Amount (₹ In Crores)	Count	Amount (₹ In crores)	Count	Amount (₹ In crores)
Bank Guarantee	1026	1114.18	950	980.67	1261	1250.07	1203	1168.78
Fixed Deposit	2168	1453.65	1467	806.74	2119	1081.54	1478	851.04

Application to SEBI for recognition as a Clearing Corporation

As per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ('SECC Regulations'), every stock exchange should have an independent Clearing Corporation. The Company being a wholly owned subsidiary of NCDEX, the Board of NCDEX at its meeting held on November 20, 2017 approved to setup its own Clearing Corporation with its owned funds by transferring its clearing and settlement operations to the Company. Further, the Board of the Company at its meeting held on January 16, 2018 had accorded its approval to apply to SEBI for recognition as a Clearing Corporation. Accordingly, during the year under review, the Company made an application to SEBI for setting up of a "Clearing Corporation". In this regard, SEBI has granted an in-principle approval to the Company for setting up of a "Clearing Corporation" vide SEBI letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/012819/1 dated April 27, 2018. The approval is valid for a period of one year. The final recognition of the Company as a "Clearing Corporation" shall be subject to an inspection by SEBI to assess compliance with necessary requirement/ provisions of the Securities Contracts (Regulation) Act, 1956 ('SCRA'), SEBI Act, rules, regulations, guidelines, and circular issued by SEBI from time to time.

The Company is in the process of complying with various requirements mandated for being recognised as a "Clearing Corporation" and expects to receive recognition and subsequent commencement of operations during the course of the current financial year.

3. DIVIDEND AND APPROPRIATION

As per SECC Regulations, a Clearing Corporation is required to maintain a minimum liquid net worth of Rs. 100 crores. As on March 31, 2018, the liquid net worth of the Company is Rs.103 crores. Further, the Company will be required to make certain capital expenditure for technology for which it will require funds.

In view of the above, your Directors do not recommend any dividend for the financial year 2017-2018. No amount has been transferred to the general reserve.

4. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company undertakes suitable measures for conservation and optimum utilization of energy. The Company makes extensive use of technology in its operations and continuously strives to improve the same. During the year under review, the Company did not have any foreign exchange inflow and outgo.

5. PUBLIC DEPOSITS

The Company has not accepted any public deposits and, as such no amount towards repayment of principal or payment of interest was outstanding as on March 31, 2018.

6. DETAILS OF MEETINGS OF SHAREHOLDERS

The Eleventh Annual General Meeting of the Company was held on August 23, 2017. An Extra Ordinary General Meeting of the Company was held on February 12, 2018.

7. AMENDMENT TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Shareholders at their Extraordinary General Meeting held on February 12, 2018 approved and adopted a new set of Memorandum and Articles of Association of the Company to bring them in conformity with the provisions of the Companies Act, 2013 and the Securities Contract (Regulations) Act, 1956 and the SECC Regulations.

8. CHANGE IN THE AUTHORIZED CAPITAL AND PAID UP SHARE CAPITAL

In terms of the provisions of Regulation 14(2) of SECC Regulations, every applicant seeking recognition as a Clearing Corporation should have a minimum networth of Rupees One Hundred crores. Accordingly, in order to achieve/attain the minimum networth as prescribed under the said SECC Regulations, during the year under review, the Authorized Capital and Paid-up Equity Share Capital was increased. On February 12, 2018, the Shareholders at their Extraordinary General Meeting ('EGM') approved the increase in the Authorized Capital from Rs. 10 Crores to

Rs. 120 Crores divided into 12,00,00,000 Equity Shares of Rs. 10 each by creation of additional 11,00,00,000 Equity shares of Rs. 10/- each ranking pari passu in all respects with the existing equity shares of the Company. The Paid-up Equity Share Capital was increased from Rs. 4.75 crores to Rs. 95.75 crores by allotting 9,10,00,000 Equity Shares of Rs. 10/- each, by way of rights issue, ranking pari passu in all respects with the existing Equity Shares of the Company to NCDEX, the holding Company, on February 27, 2018.

9. BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2017-2018

During the financial year 2017-2018, nine meetings of the Board were held on May 23, 2017, July 05, 2017, October 26, 2017, January 16, 2018, February 14, 2018, February 22, 2018, February 27, 2018, March 01, 2018 and March 23, 2018. The composition and attendance of the Directors is given below –

Name of the Director	Number of meetings held during the relevant period of tenure of Director	Number of meetings attended
Mr. Jayant Nalawade#	0	0
Mr. M. K. Ananda Kumar##	4	3
Mr. Samir Shah###	5	4
Mr. Laxmikant Gupta	9	8
Mr. Atul Roongta	6	6
Mr. Vijay Kumar V.	5	5

Mr. Jayant Nalawde ceased to be the Director of the Company with effect from April 7, 2017.

##Mr. M. K. Ananda Kumar ceased to be the Director of the Company with effect from January 16, 2018 (close of business hours).

###Mr. Samir Shah ceased to be the Director of the Company with effect from February 14, 2018 (close of business hours).

10. EXTRACT OF THE ANNUAL RETURN

The extract of Annual return under sub section (3) of section 92 in Form MGT 9 for the financial year ended March 31, 2018 is enclosed as **Annexure 1**.

11. INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are considered to be adequate.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 (1) OF COMPANIES ACT, 2013

All the transactions with related parties are in the ordinary course of business and on an arms' length basis. There are no material contracts or arrangements or transactions on arms' length basis. The details of the related party transactions as required under the IND AS-24 are set out in Note no. 18 to the Financial Statements.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

During the year under review, the Company has not given any loans and guarantees which attract the provisions of Section 186 of the Act. For the particulars of investments made during the year, please refer Notes to Accounts.

14. PARTICULARS OF EMPLOYEES REQUIRED UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

There were no employees in the Company during the Financial Year 2017-18 and hence the disclosure pursuant to applicable provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, does not arise.

15. DIRECTORS

The Directors who were appointed during the year are as under:

Sr. No.	Name of the Director	Designation	Date of appointment
1.	Mr. Laxmikant Gupta	Director	April 07, 2017
2.	Mr. Atul Roongta	Director	January 16, 2018
3.	Mr. Vijay Kumar V.	Additional Director	February 14, 2018

The Directors who resigned during the year are as under:

Sr. No.	Name of the Director	Designation	Date of resignation
1.	Mr. Jayant Nalawade	Director	April 7, 2017
2.	Mr. M. K. Ananda Kumar	Director	January 16, 2018 (Close of Business hours)
3.	Mr. Samir Shah	Director	February 14, 2018 (Close of Business hours)

The Board wishes to place on record its sincere appreciation for the valuable advice, guidance and services rendered by the outgoing Directors.

In terms of provisions of Securities Contract (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 ('SECC Regulations'), the governing board of a recognised clearing corporation shall include Shareholder directors, Public interest directors and Managing Director. In view of the said provisions, the Board of the Company approved the following appointments subject to approval of SEBI:

1. Mr. R. Ramaseshan – Public Interest Director
2. Mr. Siddhartha Roy – Public Interest Director
3. Mrs. Shanthi Srikant – Public Interest Director
4. Mr. R. Venkatraman – Public Interest Director
5. Mr. Atul Roongta- Shareholder Director
6. Mr. Laxmikant Gupta- Shareholder Director

SEBI vide its letters no. SEBI/HO/CDMRD/DEA/OW/2018/13923/1 and SEBI/HO/CDMRD/DEA/OW/2018/13924/1 dated May 10, 2018 approved the above appointments. Further, SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/2018/15170/1 dated May 23, 2018 approved the appointment of Mr. R. Ramaseshan as the Chairman of the Board of the Company. The Public Interest Directors have confirmed that they meet the criteria of independence as provided under Section 149 of the Act.

Upon receipt of approval from SEBI and in order to ensure compliance with the Board composition as prescribed in SECC Regulations, Mr. Vijay Kumar V. tendered his resignation from the Board of the Company as an Additional Director w.e.f. May 11, 2018. The Board wishes to place on record its sincere appreciation for the valuable advice, guidance and services rendered by Mr. Vijay Kumar V.

The Company had no Key Managerial Personnel during the year under review. Ms Komal Shahani was appointed as Chief Financial Officer of the Company w.e.f. June 21, 2018 and Mr Rahul Poojari was appointed as Company Secretary of the Company w.e.f. July 12, 2018.

With respect to the appointment of Managing Director & CEO, the Company has initiated the appointment process in terms of the provisions of SECC Regulations.

Mr Laxmikant Gupta has resigned from the directorship of the Company with effect from close of business hours on August 16, 2018. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Atul Roongta will be retiring by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment as a Director. The Board recommends the name of Mr. Atul Roongta for re-appointment as a Director of the Company subject to approval of SEBI.

A resolution for the said purpose along with a brief profile of Mr. Atul Roongta forms a part of the Notice of the forthcoming AGM of the Company.

16. STATUTORY AUDITORS:

Currently, M/s. Haribhakti & Co. LLP, Chartered Accountants, are auditors of the Company and their term shall expire at the forthcoming Annual General Meeting of the Company. As per the provisions of the Companies Act, 2013, no audit firm which has completed two terms of five consecutive years as auditors shall be eligible for re-appointment as auditors.

Considering the above requirement, it is proposed to appoint M/s. Khandelwal Jain & Co (Firm Reg. No. 105049W) as Statutory Auditors of the Company in place of M/s. Haribhakti & Co. LLP, for a period of five years from the conclusion of the Twelfth Annual General Meeting to the conclusion of Seventeenth Annual General Meeting under section 139 (1) of the Companies Act, 2013 read with relevant Rules made thereunder. As per the second and third proviso of section 139 (1) of Companies Act, 2013, M/s. Khandelwal Jain & Co have furnished a certificate to the Company that they are eligible and satisfy the criteria provided in Section 141 of the Companies Act, 2013.

There is no qualification, reservation or adverse remarks or disclaimer in the report given by M/s. Haribhakti & Co. LLP, Statutory Auditors on the Financial Statements of the Company for the year ended March 31, 2018. Further, during the FY 2017-2018, the Statutory Auditors have not come across any reportable incident of fraud to the Audit Committee or Board of Directors.

17. SECRETARIAL AUDITOR

In terms of section 204 (1) of Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ragini Chokshi & Co., Practicing Company Secretaries, as Secretarial Auditor for the Financial Year 2017-2018. In terms of sub-section (3) of section 134, secretarial audit report given by M/s. Ragini Chokshi & Co. in Form MR-3 is attached as **Annexure 2**. The said report does not contain any qualifications, reservations or adverse remarks.

18. SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

19. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

20. OTHER DISCLOSURES

There was no change in the nature of the business of the Company during the financial year 2017-2018. No material changes and commitments affecting the financial position occurred subsequent to the close of the financial year ended March 31, 2018 and the date of the report, except that the Company had applied to SEBI for setting up of a "Clearing Corporation" and SEBI has granted an in-principle approval to the Company for setting up of a "Clearing Corporation" vide SEBI Letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/012819/1 dated April 27, 2018 and the said approval is valid for a period of one year. During the year, no significant and material order was passed by the regulators or courts or tribunals impacting the going concern status and the Company operations in future. The Company during the course of its operations, identifies risk and takes suitable measures for their mitigation. The Company had no employees during the Financial Year 2017-18 and hence the disclosure of complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 does not arise.

21. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. that in the preparation of accounts for the Financial Year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the accounts for the Financial Year ended March 31, 2018 on a 'going concern' basis.
- v. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. ACKNOWLEDGEMENTS:

Your Directors express their sincere thanks to NCDEX for its invaluable and continued support and guidance. Your Directors would also like to place on record their deep appreciation of the contribution made by the employees at all levels to the continued growth of the Company.

The Directors acknowledge the support extended by the bankers to the Company, Auditors, assaying agencies, the media, both print and visual, and all other service providers that the Company has been working with.

The Directors also thank the Securities and Exchange Board of India, Ministry of Corporate Affairs, and other governmental and other bodies and authorities for their support, advice and direction provided from time to time.

For and on behalf of the Board of Directors

**Sd/-
R. Ramaseshan
Chairman
DIN: 00200373**

Place: Mumbai

Date: August 27, 2018

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U74992MH2006PLC163550
2.	Registration Date	04/08/2006
3.	Name of the Company	National Commodity Clearing Limited ("NCCL")
4.	Category / Sub-Category of the Company	Category: Public Company Sub Category: Limited by Shares
5.	Address of the Registered Office and contact details	1 st Floor, Ackruti Corporate Park, L. B. S. Marg, Kanjurmarg (W) Mumbai- 400078. Tel : (+91-22) – 62804900 Fax : (+91-22) – 66406713 Email: rahul.poojari@nccl.co.in
6.	Whether listed company: Yes / No	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083. Contact details: 022 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Clearing and Settlement	6619	100%

b) Banks / FI	-	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	-	-	-	-	-	-	-	-	-
2) Non-Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies Corp	-	-	-	-	-	-	-	-	-	-
- Indian	-	-	-	-	-	-	-	-	-	-
- Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
- Individual shareholders holding nominal share capital upto Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
- Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Public (B) = (B) (1) + (B) (2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	47,49,994	6	47,50,000	100	9,57,49,994	6	9,57,50,000	100	-	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	National Commodity and Derivatives Exchange Limited ("NCDEX")	47,50,000 (including 6 equity shares held jointly with 6 individuals)	100%	Nil	9,57,50,000 (including 6 equity shares held jointly with 6 individuals)	100%	Nil	Nil
	Total	47,50,000	100%	Nil	9,57,50,000	100%	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	National Commodity and Derivatives Exchange Limited ("NCDEX")				
	At the beginning of the year	47,49,994	99.999874	47,49,994	99.999874
	Increase due to allotment of 9,10,00,000 Equity Shares vide Rights Issue to NCDEX on February 27, 2018	9,10,00,000		9,57,49,994	99.999994
	At the end of the year	-	-	9,57,49,994	99.999994
2.	NCDEX j/w. Samir Shah				
	At the beginning of the year	1	0.000021	1	0.000021
	Decrease due to transfer of share from NCDEX j/w. Samir Shah to NCDEX j/w. Seema Nayak on January 16, 2018	(1)	(0.000021)	NIL	NIL
	At the end of the year	-	-	NIL	NIL
3.	NCDEX j/w. Jayant Nalawade				
	At the beginning of the year	1	0.000021	1	0.000021
	Decrease due to transfer of share from NCDEX j/w. Jayant Nalawade to NCDEX j/w. Sarat Chandra Mulukutla on May 23, 2017	(1)	(0.000021)	NIL	NIL
	At the end of the year	-	-	NIL	NIL
4.	NCDEX j/w. M K Ananda Kumar				
	At the beginning of the year	1	0.000021	1	0.000021
	Decrease due to transfer of share from NCDEX j/w. M K Ananda Kumar to NCDEX j/w. Atul Roongta on January 16, 2018	(1)	(0.000021)	NIL	NIL
	At the end of the year	-	-	NIL	NIL

5.	NCDEX j/w. Rajendraprasad Benhalkar				
	At the beginning of the year	1	0.000021	1	0.000021
	Increase/ Decrease during the year	-	-	1	0.000021
	At the end of the year	-	-	1	0.000001
6.	NCDEX j/w. Komal Shahani				
	At the beginning of the year	1	0.000021	1	0.000021
	Increase/ Decrease during the year	-	-	1	0.000021
	At the end of the year	-	-	1	0.000001
7.	NCDEX j/w. Anand Iyer				
	At the beginning of the year	1	0.000021	1	0.000021
	Decrease due to transfer of share from NCDEX j/w. Anand Iyer to NCDEX j/w. Suresh Nair on January 16, 2018	(1)	(0.000021)	NIL	NIL
	At the end of the year	-	-	NIL	NIL
8.	NCDEX j/w. Seema Nayak				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase due to transfer of share from NCDEX j/w. Samir Shah to NCDEX j/w. Seema Nayak on January 16, 2018	1	0.000021	1	0.000021
	At the end of the year	-	-	1	0.000001
9.	NCDEX j/w. Sarat Chandra Mulukutla				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase due to transfer of share from NCDEX j/w. Jayant Nalawade to NCDEX j/w. Sarat Chandra Mulukutla on May 23, 2017	1	0.000021	1	0.000021
	At the end of the year	-	-	1	0.000001
10.	NCDEX j/w. Atul Roongta				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase due to transfer of share from NCDEX j/w. M K Ananda Kumar to NCDEX j/w. Atul Roongta on January 16, 2018	1	0.000021	1	0.000021
	At the end of the year	-	-	1	0.000001
11.	NCDEX j/w. Suresh Nair				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase due to transfer of share from NCDEX j/w. Anand Iyer to NCDEX j/w. Suresh Nair on January 16, 2018	1	0.000021	1	0.000021
	At the end of the year	-	-	1	0.000001

- (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

NCCL is the wholly-owned Subsidiary of NCDEX

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
3.	At the end of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

- (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	*Mr. Samir Shah: 1 equity share jointly with NCDEX				
	At the beginning of the year	1	0.000021	1	0.000021
	Decrease due to transfer of share from NCDEX j/w. Samir Shah to NCDEX j/w. Seema Nayak on January 16, 2018	(1)	(0.000021)	NIL	NIL
	At the end of the year	-	-	NIL	NIL
2.	^Mr. M. K. Ananda Kumar: 1 equity share jointly with NCDEX				
	At the beginning of the year	1	0.000021	1	0.000021
	Decrease due to transfer of share from NCDEX j/w. M K Ananda Kumar to NCDEX j/w. Atul Roongta on January 16, 2018	(1)	(0.000021)	NIL	NIL
	At the end of the year	-	-	NIL	NIL
3.	@Mr. Atul Roongta: 1 equity share jointly with NCDEX				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Increase due to transfer of 1 equity share from NCDEX j/w Mr. M. K. Ananda Kumar to NCDEX j/w Mr. Atul Roongta on January 16, 2018	1	0.000021	1	0.000021
	At the end of the year	-	-	1	0.000021

4.	#Mr Jayant Nalawade: 1 equity share jointly with NCDEX				
	At the beginning of the year	1	0.000021	1	0.000021
	Decrease due to transfer of 1 equity share from NCDEX j/w Mr. Jayant Nalawade to NCDEX j/w Mr. Sarat Chandra Mulukutla on May 23, 2017	(1)	(0.000021)	NIL	NIL
	At the end of the year	-	-	NIL	NIL
5.	@@Mr Vijay Kumar V:				
	At the beginning of the year	NIL	NIL	NIL	NIL
	At the end of the year	-	-	NIL	NIL
6.	^^Mr Laxmikant Gupta:				
	At the beginning of the year	NIL	NIL	NIL	NIL
	At the end of the year	-	-	NIL	NIL

* Mr Samir Shah resigned from the directorship of the Company w.e.f. close of business hours on February 14, 2018.

^ Mr M K Ananda Kumar resigned from the directorship of the Company w.e.f. close of business hours on January 16, 2018.

@ Mr Atul Roongta was appointed as an additional director w.e.f. January 16, 2018.

Mr Jayant Nalawade resigned from the directorship of the Company w.e.f. April 7, 2017.

@@ Mr Vijay Kumar V was appointed as an additional director w.e.f. February 14, 2018.

^^ Mr Laxmikant Gupta was appointed as an additional director w.e.f. April 7, 2017.

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The Company did not have any Managing Director, Whole-time Directors or Manager during the FY 2017-18.

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary	NOT APPLICABLE	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission:		
	- as % of profit		
	- others, specify		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	Fee for attending board committee meetings		NIL
	Commission		NIL
	Others, please specify		NIL
	Total (1)		NIL
2.	Other Non-Executive Directors		
	Fee for attending board committee meetings		NIL
	Commission		NIL
	Others, please specify	Mr Jayant Nalawade*	58,333.33
	Total (2)		58,333.33
	Total Managerial Remuneration (1) + (2)		58,333.33
	Overall Ceiling as per the Act	3% of profits calculated under Section 198 of the Companies Act, 2013	

* Mr Jayant Nalawade, a Non-executive Director of the Company, was appointed as an Advisor to the Company w.e.f. April 1, 2017 at a professional fees of Rs 2,50,000 per month. Mr Jayant Nalawade resigned from the directorship of the Company w.e.f. April 7, 2017. The Board of Directors were of the opinion that the services offered by Mr Nalawade as an Advisor were of professional nature and he possessed the requisite expertise and experience in providing the professional service. Basis the above, the Board of Directors approved the payment of professional fees for the period from April 1, 2017 to April 7, 2017 to Mr Jayant Nalawade.

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

The Company did not have any Key Managerial Personnel during the FY 2017-18.

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
2.	Gross salary	NOT APPLICABLE			
	(b) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(d) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission:				
	- as % of profit				
	- others, specify				
5.	Others, please specify				
	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-
R. Ramaseshan
Chairman
DIN: 00200373

Place: Mumbai
Date: August 27, 2018

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

National Commodity Clearing Limited

First Floor, Ackruti Corporate Park, L. B. S. Marg,
Kanjurmarg West, Mumbai 400078

We, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Commodity Clearing Limited ('the Company') having CIN - U74992MH2006PLC163550. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company and its officers, during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (*Not Applicable for the audit period*)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and

- Takeovers) Regulations, 2011; *(Not applicable for the audit period)*
- b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 *(Not applicable for the audit period)*
- c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(Not applicable for the audit period)*
- d)The Securities and Exchange Board of India (Share Based Employee Benefit Regulation, 2014); *(Not applicable for the audit period)*
- e)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable for the audit period)*
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable for audit period)*
- g)The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable for the audit period) and*
- h)The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not applicable for the audit period).*
- (vi) Laws specifically applicable to the Company;- There are no laws specifically applicable to the Company during the audit period). However, the Company has applied to Securities and Exchange Board of India for seeking recognition as clearing corporation for clearing and settlement activity, upon recognition the provisions of Securities Contract (Regulation) (Stock Exchange and Clearing Corporations) Regulations ,2012 ,circulars and notifications issued by SEBI and as applicable to recognised clearing corporation shall be accordingly applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Disclosure and Obligation Requirements) Regulation, 2015 *(Not applicable during the audit period).*

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

We further report that;

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Further, during the audit period , the Company being a Wholly Owned Subsidiary was exempted from requirement of appointing Independent Directors pursuant to circular dated 5th July,2017 vide notification No – GSR .839(E) amending Rule 4 of the

Companies (Appointment and Qualification) of Director Rules, 2014. During the audit period, as a step towards seeking recognition as a recognised clearing corporation, the Board of Directors of the Company has approved the appointment of Public Interest Directors on the Board of the Company pursuant to provisions of Securities Contract (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 subject to approval of SEBI. As per the said regulation, the Public Interest Directors of the Company are akin to Independent Directors in the Company.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period there were following specific events/actions having major bearing on operations of the Company other than the those mentioned below;

- a) Increase in Authorised Capital of the Company to Rs.1,20,00,00,000/- (Rupees One Hundred and Twenty Crores) w.e.f. February 12, 2018.
- b) Amendment to Memorandum of Association of the Company.
- c) Alteration to Articles of Association of the Company by way adoption new set of articles of association of the Company in confirmation with the Companies Act, 2013 and Securities Contract (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012.
- d) Right issue of 9,50,00,000 equity shares of Rs.10/- each on February 27, 2018.
- e) Application to Securities & Exchange Board of India for seeking in principal approval for commencing operations for clearing and settlement activity.

FOR RAGINI CHOKSHI & CO, COMPANY SECRETARIES

sd/-

UMASHANKAR K HEGDE

PARTNER

A.CS No- 22133 # C.O.P N0- 11161

Date: 08/06/2018

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT**To the Members of National Commodity Clearing Limited****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of National Commodity Clearing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the



circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified audit opinion dated May 23, 2017 and May 23, 2016 respectively. The adjustments to those financial statements for the differences in the accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
 - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of National Commodity Clearing Limited on the financial statements for the year ended March 31, 2018]

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of the fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, during the year, fixed assets have not been physically verified by the management.
 - (c) The Company does not hold any immovable property. Accordingly, the provision stated in paragraph 3(i)(c) of the Order is not applicable.
- (ii) As informed, the Company does not have inventories. Accordingly, the provisions stated in paragraph 3(ii)(a), 3(ii)(b) and 3 (ii)(c) of the Order are not applicable
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) As informed, the Company has not granted any loans, investments, guarantees and securities to parties covered under Section 185 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii)
 - (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, which have not been deposited on account of any dispute.

(viii) The Company has neither obtained any loan or borrowing from financial institution/bank/government nor issued any debentures. Accordingly, the provision stated in paragraph 3 (viii) of the Order is not applicable.



HARIBHAKTI & CO. LLP

Chartered Accountants

- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, no managerial remuneration has been paid / provided for the period under audit. Hence, question of requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act does not arise.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Sumant Sakhardande

Partner

Membership No. 034828



Place: Mumbai

Date: May 17, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of National Commodity Clearing Limited on the financial statements for the year ended March 31, 2018]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **National Commodity Clearing Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that



transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion







In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Sumant Sakhardande
Partner
Membership No. 034828



Place: Mumbai
Date: May 17, 2018

National Commodity Clearing Limited				
Balance Sheet as at March 31, 2018				(Rs. in Lakhs)
Particulars	Note No.	As at	As at	As at
		March 31, 2018	March 31, 2017	April 1, 2016
Assets				
Non-current Assets				
(a) Property, Plant and Equipment	2A	0.31	0.38	0.23
(b) Other Intangible assets	2B	25.03	9.03	117.91
(c) Intangible assets under development	2B	-	0.27	-
(d) Financial Assets				
(1) Others	3	454.96	29.01	-
(e) Income Tax Assets (net)	4	58.47	64.90	118.01
Total non-current assets		538.77	103.59	236.15
Current Assets				
(a) Financial Assets	5			
(1) Investments	5(1)	594.43	666.59	484.63
(2) Trade Receivables	5(2)	20.38	38.07	24.95
(3) Cash & Cash equivalents	5(3)	1.26	0.66	0.98
(4) Bank Balance other than 3 above	5(4)	9,233.50	550.50	511.56
(5) Others	5(5)	55.72	13.15	27.89
(b) Other current assets	6	11.29	6.52	27.19
Total current assets		9,916.57	1,275.49	1,077.20
Total Assets		10,455.34	1,379.08	1,313.35
Equity & Liabilities				
Equity				
(a) Equity Share capital	7(A)	9,575.00	475.00	475.00
(b) Other Equity	7(B)	856.50	862.95	773.69
Total Equity		10,431.50	1,337.95	1,248.69
Liabilities				
Non-current Liabilities				
(a) Deferred tax liabilities (net)	15(D)	0.26	12.57	36.67
Total non-current liabilities		0.26	12.57	36.67
Current Liabilities				
(a) Financial Liabilities				
(1) Trade payables	8	0.22	18.38	-
(b) Other current liabilities	9	23.36	10.18	27.99
Total current liabilities		23.58	28.56	27.99
Total Liabilities		23.84	41.13	64.66
Total Equity and Liabilities		10,455.34	1,379.08	1,313.35
Summary of significant accounting policies 1				
The notes are an integral part of the financial statements.				
As per our report of even date attached				
For HARIBHAKTI & CO. LLP Chartered Accountants Firm Regn. No. 103523W/W100048		For and on behalf of the Board of Directors National Commodity Clearing Limited		
				
SUMANT SAKHARDANDE Partner Membership No. 034828		ATUL ROONGTA Director DIN : 07878061		
				
Place : Mumbai Date : May 17, 2018		LAXMIKANT GUPTA Director DIN : 07788143		
				

National Commodity Clearing Limited

Statement of Profit and Loss for the year ended March 31, 2018

(Rs. in Lakhs)

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2018	March 31, 2017
INCOME			
Revenue from operations	10	369.13	452.44
Other Income	11	147.71	98.81
Total Income		516.84	551.25
EXPENSES			
Employee benefits expense	12	118.46	99.23
Depreciation & Amortization Expense	13	10.49	109.13
Other Expenses	14	240.04	211.55
Total Expenses		368.99	419.91
Profit / (loss) before exceptional items and income tax		147.85	131.34
Exceptional item (net of tax)		-	-
Profit / (Loss) before tax		147.85	131.34
Tax expense	15	40.66	42.07
Profit / (Loss) for the period		107.19	89.27
Total comprehensive income for the period		107.19	89.27
Earnings per equity share			
(1) Basic (Rs.)		0.83	1.88
(2) Diluted (Rs.)		0.83	1.88
Nominal Value of Share (Rs.)		10.00	10.00

Summary of significant accounting policies
The notes are an integral part of the financial statements.

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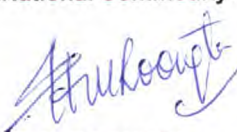
As per our report of even date attached

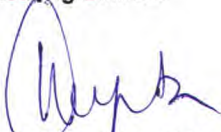
For HARIBHAKTI & CO. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048


SUMANT SAKHARDANDE
Partner
Membership No. 034828

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board of Directors
National Commodity Clearing Limited


ATUL ROONGTA
Director
DIN : 07878061


LAXMIKANT GUPTA
Director
DIN : 07788143



NATIONAL COMMODITY CLEARING LIMITED

CASHFLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

	For the year ended March 31, 2018	For the year ended March 31, 2017
A) CASHFLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	147.85	131.34
Add : Adjustments for :		
- Depreciation	10.49	109.13
Less : Adjustments for :		
Share issue expenses	(113.64)	-
- Interest income on Bank deposit	(99.07)	(38.19)
- (Profit)/Loss on sale/redemption of current investments	(47.58)	(55.02)
- Dividend on investment	(0.00)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(101.95)	147.26
Adjustments for :		
Financial Assets	17.69	(13.11)
Loans & Advances	(4.77)	56.67
Financial Liabilities	(18.16)	18.38
Current Liabilities & Provisions	13.18	(17.81)
CASH GENERATED FROM OPERATIONS	(94.01)	191.39
Direct Taxes paid (Net of Refunds)	(46.53)	(49.07)
NET CASH FROM (USED IN) OPERATING ACTIVITIES - Total (A)	(140.54)	142.32
B) CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Capital work-in-progress	(26.15)	(0.67)
Interest received	51.54	52.93
Dividend received	0.00	-
Investment in Fixed Deposits	(9,683.50)	(579.50)
Maturity of Fixed Deposits	579.50	511.54
Purchase of Mutual Funds	(1,585.50)	(809.20)
Redemption of Mutual Funds	1,705.25	682.26
NET CASH FROM (USED IN) INVESTING ACTIVITIES - Total (B)	(8,958.86)	(142.64)
C) CASHFLOW FROM FINANCING ACTIVITIES	-	-
Proceed of issue of equity shares	9,100.00	-
NET CASH FROM (USED IN) FINANCING ACTIVITIES - Total (C)	9,100.00	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	0.60	(0.32)
CASH AND CASH EQUIVALENTS : OPENING BALANCE	0.66	0.98
[includes fixed deposit with banks of Rs.NIL (Previous Year Rs. NIL)]		
CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	1.26	0.66
[includes fixed deposit with banks of Rs.NIL (Previous Year Rs. NIL)]		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	0.60	(0.32)

Notes to Cash Flow Statement :

- Components of Cash and cash equivalent represent bank balances in current account : Rs. 1.26 Lakhs (Previous Year Rs. 0.66 Lakhs)
- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on Cash Flow Statements notified under Section 133 of the Act, read with relevant rules issued thereunder.

As per our report of even date attached

For HARIBHAKTI & CO. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048

SUMANT SAKHARDANDE
Partner
Membership No. 034828

Place : Mumbai
Date : May 17, 2018

For and on behalf of the Board of Directors
National Commodity Clearing Limited

ATUL ROONGTA
Director
DIN : 07878061

LAXMIKANT GUPTA
Director
DIN : 07788143



Statement of Changes in Equity for the year ended March 31, 2018

(A) Equity Share Capital	Rs. In Lakhs
Balance as at April 1, 2016	475.00
Changes in share capital during the year	-
Balance as at March 31, 2017	475.00
Changes in share capital during the year	9,100.00
Balance as at March 31, 2018	9,575.00

(B) Other equity	Rs. In Lakhs	
Particulars	Retained earning	Total
Balance as at April 1, 2016	773.69	773.69
Profit for the year	89.27	89.27
Balance as at March 31, 2017	862.96	862.96
Profit for the year	107.19	107.19
Share issue expenses	(113.65)	(113.65)
Balance as at March 31, 2018	856.50	856.50

This is the Statement of Changes in Equity referred to in our report of even date

As per our report of even date attached

For HARIBHAKTI & CO. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048

For and on behalf of the Board of Directors
National Commodity Clearing Limited


SUMANT SAKHARDANDE
Partner
Membership No. 034828


ATUL ROONGTA
Director
DIN : 07878061


LAXMIKANT GUPTA
Director
DIN : 07788143

Place : Mumbai
Date : May 17, 2018



NATIONAL COMMODITY CLEARING LIMITED

Notes to the financial statements for the year ended March 31, 2018

Background and Significant Accounting Policies

Background

National Commodity Clearing Limited (the 'Company') is a wholly owned subsidiary of National Commodity and Derivatives Exchange Limited and is set up to provide clearing and settlement services to the holding company.

The financial statements were authorised for issuance by the Company's Board of Directors on May 17, 2018.

1 Significant accounting policies :

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years / periods presented, unless otherwise stated.

a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS as at March 31, 2017.

b) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, on accrual basis and are drawn up in accordance with the provisions of the Companies Act, 2013 (the Act) and Indian Accounting Standards ("Ind AS") notified under Section 133 of Act read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, amendment to the Rules and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets that is measured at fair value,

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36, Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, taxes and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

The sources of revenue are:

- Revenue from clearing & settlement charges are recognized on accrual basis when services are rendered and there is reasonable certainty of ultimate realization.
- Dividends on Investments are recognized when a right to receive the same is established
- Interest is recognized on time proportionate basis taking into consideration the amount outstanding and the rate applicable.



NATIONAL COMMODITY CLEARING LIMITED

Notes to the financial statements for the year ended March 31, 2018

d) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax liabilities are recognized for all taxable temporary differences.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

e) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

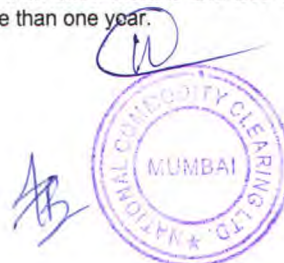
f) Cash Flow Statements & Cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash:

Other bank balances comprise of Fixed deposits with maturity of more than three months and less than twelve months, other non current financial assets contains Fixed deposits with maturity of more than one year.



NATIONAL COMMODITY CLEARING LIMITED

Notes to the financial statements for the year ended March 31, 2018

g) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

h) Investments and other financial assets

(i) Recognition

All financial assets are recognized and de-recognized on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

(ii) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investment in debt instruments, this will depend on business model in which the investment is held. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss.

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(v) De-recognition of financial assets

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.



NATIONAL COMMODITY CLEARING LIMITED

Notes to the financial statements for the year ended March 31, 2018

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest income

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of financial assets. When calculating the effective interest rates, the Company estimates the expected cash flows by considering all the contractual term of the financial instruments but does not consider expected credit losses.

Dividends

Dividends are recognized in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

i) Financial liabilities

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit or loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

(iv) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

j) Property, plant and equipment (including CWIP)

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 1, 2016 measured as per the previous Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.

- (i) Depreciation is provided on the "straight line method" based on the estimated useful life of assets which are either equal to or are lower than those suggested in Part C of schedule II of the Act. Depreciation on additions is provided on pro-rata basis from the date of acquisition/ upto the date of deletion.

Assets	Useful Life of Asset
Office Equipments	5 years
Office Hardware	6 years
Clearing and Settlement Systems	6 years
Telecommunication Systems	6 years

Fixed assets having an original cost less than or equal to Rs. 5,000 individually are fully depreciated in the year of purchase or installation.

- (ii) Intangible Assets:

Intangible assets comprising of "Clearing & Office Software" are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Depreciation on additions is provided on pro-rata basis from the date of acquisition/ upto the date of deletion.

Assets	Estimated Useful Life of Asset
Clearing & Office Software	4 years



k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

l) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation to be settled at future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

m) Contingent Liabilities and Contingent Assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognized in the financial statements. However if the inflow of economic benefits is probable, then it is disclosed in the financial statements.

n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

o) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian currency (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

p) Leases

As a lessee

Leases of property, plant and equipment, where the terms of the lease has substantially transferred all the risks and rewards of ownership to the Company are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



NATIONAL COMMODITY CLEARING LIMITED

Notes to the financial statements for the year ended March 31, 2018

q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

r) Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

t) Current versus Non-current classification and operating cycle

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. 12 months
 - Held primarily for purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
 - All other assets are classified as non-current.
- A liability is current when:
- It is expected to be settled in normal operating cycle i.e. 12 months.
 - It is held primarily for purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
 - All other liabilities are classified as non-current.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

u) Rounding of Amounts

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

v) Critical Accounting Estimates And Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of useful life of property, plant and equipment and intangible asset refer Note 1(j)

Estimation of current tax expense and payable Note 15

Estimation of contingent liabilities refer Note 20

Estimation of Impairment of Assets refer Note 1(e)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Handwritten signature.

National Commodity Clearing Limited

(All amounts are Rs. In Lakhs)

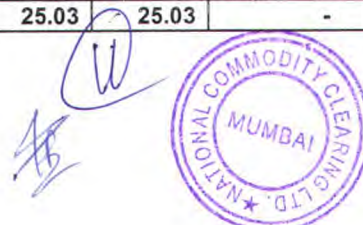
Notes to Financial Statements for the year ended March 31, 2018

2A Property, Plant and equipment

Particulars	Tele-communication Systems	Office Equipments	Office Hardware	Clearing & Settlement System	Total
Year ended March 31, 2017					
Gross carrying amount					
Deemed cost as at April 01, 2016	-	-	0.00	0.23	0.23
Additions	-	-	-	0.40	0.40
Disposals / Adjustments	-	-	-	-	-
Closing gross carrying amount	-	-	0.00	0.63	0.63
Accumulated depreciation and impairment					
Accumulated depreciation as at April 1, 2016	-	-	-	-	-
Depreciation for the year	-	-	-	0.25	0.25
Disposals / Adjustments	-	-	-	-	-
Closing accumulated depreciation	-	-	-	0.25	0.25
Net carrying amount as at March 31, 2017	-	-	0.00	0.38	0.38
Year ended March 31, 2018					
Gross carrying amount					
Opening balance as at April 1, 2017	-	-	0.00	0.63	0.63
Additions	-	-	-	-	-
Disposals / Adjustments	-	-	-	-	-
Closing gross carrying amount	-	-	0.00	0.63	0.63
Accumulated depreciation and impairment					
Opening balance as at April 1, 2017	-	-	-	0.25	0.25
Depreciation for the year	-	-	-	0.07	0.07
Disposals / Adjustments	-	-	-	-	-
Closing accumulated depreciation	-	-	-	0.32	0.32
Net carrying amount as at March 31, 2018	-	-	0.00	0.31	0.31

2B Other Intangible Assets and Intangible Assets under development

Particulars	Office Software	Clearing Software (FOCASS)	Total	Intangible assets under development	Total
Year ended March 31, 2017					
Gross carrying amount					
Deemed cost as at April 01, 2016	6.41	111.50	117.91	-	-
Additions	-	-	-	0.27	0.27
Disposals / Adjustments	-	-	-	-	-
Closing gross carrying amount	6.41	111.50	117.91	0.27	0.27
Accumulated amortisation and impairment losses					
Accumulated amortisation as at April 1, 2016	-	-	-	-	-
Additions	5.13	103.75	108.88	-	-
Disposals / Adjustments	-	-	-	-	-
Closing accumulated amortisation	5.13	103.75	108.88	-	-
Net carrying amount as at March 31, 2017	1.28	7.75	9.03	0.27	0.27
Year ended March 31, 2018					
Gross carrying amount					
Opening balance as at April 1, 2017	6.41	111.50	117.91	0.27	0.27
Additions	-	26.42	26.42	-	-
Capitalisation	-	-	-	0.27	0.27
Closing gross carrying amount	6.41	137.92	144.33	-	-
Accumulated amortisation and impairment losses					
Opening balance as at April 1, 2017	5.13	103.75	108.88	-	-
Additions	1.28	9.14	10.42	-	-
Disposals / Adjustments	-	-	-	-	-
Closing accumulated amortisation	6.41	112.89	119.30	-	-
Net carrying amount as at March 31, 2018	-	25.03	25.03	-	-



National Commodity Clearing Limited

(All amounts are Rs. In Lakhs)

Notes to Financial Statements for the year ended March 31, 2018

3 Non Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Bank deposits with more than 12 months maturity	450.00	29.00	-
Accrued Interest	4.96	0.01	-
	454.96	29.01	-

4 Income Tax Assets (net)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Advance income tax (net of provisions)	58.47	64.90	100.37
(b) MAT Credit Entitlement	-	-	17.64
	58.47	64.90	118.01

5 Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1. Investments			
(a) Investments in Mutual Funds (Refer note 5(1)(a))	594.43	666.59	484.63
2. Trade Receivables			
(a) Unsecured, considered good; Receivable from Related Parties	20.38	38.07	24.95
3. Cash & Cash Equivalents			
Balance with banks;	1.26	0.66	0.98
4. Bank Balances other than 3 above	9,233.50	550.50	511.56
5. Other Financial Assets			
(a) Accrued Interest	55.72	13.15	27.89
	9,905.29	1,268.97	1,050.01

6 Other Current Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Prepaid Expenses	4.33	-	2.41
(b) Advance for expenses	0.01	-	-
(c) Balance with Government Authorities	6.95	6.52	24.78
	11.29	6.52	27.19



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National Commodity Clearing Limited
(All amounts are Rs. In Lakhs)

Notes to Financial Statements for the year ended March 31, 2018

Note 5(1)(a)

A) QUOTED	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Units	Rs. In Lakhs	Units	Rs. In Lakhs	Units	Rs. In Lakhs
Investment at Fair Value through Profit and Loss						
Investment in Mutual Funds						
Axis Liquid Fund-DP-Growth Option	-	-	2,497.15	45.03	-	-
Birla SL Saving Fund -Direct-Growth	-	-	35,684.18	114.23	35,684.18	104.85
Birla SL Short Term Fund -Direct-Growth	-	-	79,944.74	50.00	-	-
HDFC FRIF Short Term Plan-Direct-Growth	-	-	-	-	307,642.61	80.30
ICICI Pru Flexible Income Plan-Direct Plan-Growth	-	-	27,833.44	87.00	-	-
ICICI Pru Ultra Short Term Plan-Direct Plan-Growth	-	-	-	-	231,764.03	36.17
IDFC Ultra Short Term-Direct-Growth	-	-	319,845.69	74.05	319,845.69	68.18
Kotak Floter-St - Direct-Growth Option	-	-	749.45	20.01	-	-
Kotak Treasury Advantage Fund - Direct Growth	-	-	-	-	178,443.15	43.46
Reliance Liquid Fund-Cash-Direct Plan-Growth Option	11,356.94	318.83	-	-	-	-
Reliance Medium Term Fund-Direct-Growth	-	-	291,598.97	101.15	216,415.98	68.67
Reliance Money Manager Fund - Direct - Growth	-	-	1,298.79	29.56	1,298.79	27.27
SBI Magnum Insta Cash - Direct - Growth	-	-	-	-	149.92	5.03
UTI Money Market Fund-Direct-Growth	14,135.19	275.60	-	-	-	-
UTI Frf- Stp- Direct Plan- Growth	-	-	3,515.62	95.56	2,034.85	50.70
UTI Treasury Advantage Fund - Growth	-	-	2,216.92	50.00	-	-
Total Mutual Fund		594.43		666.59		484.63

Particulars	As at March 31, 2018 (Rs. in Lakhs)	As at March 31, 2017 (Rs. in Lakhs)	As at April 1, 2016 (Rs. in Lakhs)
Aggregate amount of Quoted Investments	594.43	666.59	484.63
Aggregate amount of unquoted Investments	-	-	-
Aggregate amount of impairment in value of investments	-	-	-



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7A Share Capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised	<u>12,000</u>	<u>1,000</u>	<u>1,000</u>
120,000,000 (Previous Year : 10,000,000) Equity Shares of Rs. 10 Each			
Issued, Subscribed and Paid-up			
95,750,000 (Previous Year : 4,750,000) Equity Shares Rs.10 each fully paid up.	9,575.00	475.00	475.00
(of the above shares 95,750,000 (Previous Year : 4,750,000) are held by the holding Company National Commodity & Derivatives Exchange Limited and its nominees)			
Total	<u>9,575.00</u>	<u>475.00</u>	<u>475.00</u>

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs	No. of Shares	Rs. In Lakhs
Equity Shares of Rs 10 each fully paid						
At the beginning of the year	4,750,000	475.00	4,750,000	475.00	4,750,000	475.00
Issued during the year	91,000,000	9,100.00	-	-	-	-
Outstanding at the end of the year	95,750,000	9,575.00	4,750,000	475.00	4,750,000	475.00

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shareholders holding more than 5% share in the Company

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No.	% holding	No.	% holding	No.	% holding
National Commodity and Derivatives Exchange Limited (and its nominees)	95,750,000	100.00%	4,750,000	100.00%	4,750,000	100.00%

The Company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceding the reporting date.

No shares are reserved for issue under options and contract or commitment for the sale of shares or disinvestments.

Right issue

On February 27, 2018, the Company invited its shareholders to subscribe to a right issue of 95,000,000 equity shares at an issue price of Rs. 10 per share, with such shares to be issued on and rank paripasu with the existing equity shares. The issue was subscribed for 91,000,000 equity shares.

7B Other Equity

Particulars	(Rs. in Lakhs)	
	Retained earnings	Total other equity
Balance as at April 1, 2016	773.69	773.69
Profit for the year	89.27	89.27
Balance as at March 31, 2017	862.96	862.95
Profit for the year	107.19	107.19
Share issue expenses	(113.65)	(113.65)
Balance as at March 31, 2018	856.50	856.50



National Commodity Clearing Limited

(All amounts are Rs. In Lakhs)

Notes to Financial Statements for the year ended March 31, 2018

8 Current Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Trade Payables	0.22	18.38	-
	0.22	18.38	-

*Trade payable includes amount of Rs. Nil (Previous year Rs.Nil) including interest of Rs. Nil (Previous year Rs. Nil) payable to Micro, Small and Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

9 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Statutory Liabilities	10.41	5.81	6.79
(b) Other Payables	12.95	4.37	21.20
	23.36	10.18	27.99



National Commodity Clearing Limited

(All amounts are Rs. In Lakhs)

Notes to Financial Statements for the year ended March 31, 2018

10 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of services		
Clearing & Settlement Charges	369.13	452.44
	369.13	452.44

11 Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance Income		
Interest on Bank deposits	99.07	38.19
Interest on others	1.06	5.59
Dividend Income	0.00	-
Others gains/(losses)		-
Net gain on investments measured at fair value through profit or loss	(43.82)	26.47
Net gain on sale of investments measured at fair value through profit or loss	91.40	28.56
	147.71	98.81

12 Employee benefits expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus including Contribution to provident and other fund	116.88	97.47
Staff welfare expenses	1.58	1.76
	118.46	99.23

13 Depreciation & Amortization

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	0.07	0.25
Amortization	10.42	108.88
	10.49	109.13



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14 Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Space & infrastructure usage charges	21.33	18.96
Software maintenance expenses	125.02	150.48
Data centre expenses	21.56	21.56
Travelling & conveyance expenses	0.68	0.82
Professional fees	32.30	2.36
Payment to auditor		
Audit Fees	1.75	1.75
Certification Fees	1.40	-
Out of Pocket Exp	0.01	0.02
Electricity expenses	2.42	2.38
Office expenses	0.83	1.99
Rates & taxes	1.95	1.64
Application Fee for Clearing Corporation	22.71	-
Miscellaneous expenses	8.08	9.59
	240.04	211.55

15 Current and Deferred Tax

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	52.96	66.17
Deferred Tax	(12.30)	(24.10)
	40.66	42.07



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National Commodity Clearing Limited
(All amounts are Rs. In Lakhs)
Notes to Financial Statements for the year ended March 31, 2018

A) The major components of income tax expense statement of profit and loss

Statement of profit and loss

	March 31, 2018	March 31, 2017
	Rs. In Lakhs	Rs. In Lakhs
Current income tax:		
Current income tax charge	52.96	66.17
Adjustments in respect of current income tax of prior period	-	-
Total current tax expense	52.96	66.17
Deferred tax:		
Decrease(increase) in deferred tax assets	(0.24)	(30.20)
(Decrease)increase in deferred tax liabilities	(12.06)	6.10
Total deferred tax expense (benefit)	(12.30)	(24.10)
Income tax expense reported in the statement of profit or loss	40.66	42.07

B) Reconciliation of tax expense and the accounting profit multiplied by tax rate

	March 31, 2018	March 31, 2017
	Rs. In Lakhs	Rs. In Lakhs
Particulars		
Profit before income tax expense	147.85	131.34
Tax rate (%)	27.55%	33.06%
Tax rate	40.74	43.42
Adjustments in respect of current income tax of previous years	-	1.03
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss - Mutual Funds	(0.23)	(32.85)
Non-deductible expenses for tax purposes:		
Depreciation	0.15	30.47
Income Tax Expense	40.66	42.07

C) Income tax asset/liability at the end of the period

	March 31, 2018	March 31, 2017	April 1, 2016
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Particulars			
Opening Balance	64.90	100.36	78.03
Income tax paid/(refund)	46.53	30.71	45.96
Current Income Tax payable for the year	(52.96)	(65.14)	(23.62)
Provision for tax of earlier years	-	(1.03)	(0.01)
Net income tax asset/liability at the end of the year	58.47	64.90	100.36

D) Deferred tax liabilities (net)

The balance comprises temporary difference attributable to:

Particulars

Deferred Income Tax assets

Property, plant and equipment and intangible assets under development

Financial assets at fair value through profit and loss

Total deferred tax assets (a)

Deferred Income Tax liabilities

Property, plant and equipment and intangible assets under development

Financial assets at fair value through profit and loss

Total deferred tax liabilities (b)

Net deferred tax assets/(liabilities) (a-b)

	March 31, 2018	March 31, 2017	April 1, 2016
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Property, plant and equipment and intangible assets under development	0.93	0.69	-
Financial assets at fair value through profit and loss	-	-	-
Total deferred tax assets (a)	0.93	0.69	-
Property, plant and equipment and intangible assets under development	-	-	29.52
Financial assets at fair value through profit and loss	1.19	13.26	7.15
Total deferred tax liabilities (b)	1.19	13.26	36.67
Net deferred tax assets/(liabilities) (a-b)	(0.26)	(12.57)	(36.67)



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National Commodity Clearing Limited
(All amounts are Rs. In Lakhs)
Notes to Financial Statements for the year ended March 31, 2018

E) Movement in Deferred Tax Assets

Particulars	Property, plant and equipment	Financial assets at fair value through profit and loss	Total
As at April 1, 2016	(29.52)		(29.52)
Charged/(credited)			
- to profit or loss	30.21	-	30.21
As at March 31, 2017	0.69	-	0.69
As at April 1, 2017			
Charged/(credited)	0.24	-	0.24
- to profit or loss			
As at March 31, 2018	0.93	-	0.93

F) Movement in Deferred Tax Liabilities

Particulars	Property, plant and equipment	Financial assets at fair value through profit and loss	Total
As at April 1, 2016	-	7.15	7.15
Charged/(credited)	-		
- to profit or loss		6.11	6.11
As at March 31, 2017	-	13.26	13.26
As at April 1, 2017			
Charged/(credited)		(12.06)	(12.06)
- to profit or loss			
As at March 31, 2018	-	1.20	1.20

16 Payments to employees represents the amount reimbursed by the Company to National Commodity & Derivatives Exchange Limited (NCDEX) in respect of employees on deputation and apportioned to the Company. These includes charges for all retirement benefits and other long term employee benefits as per the requirements of Ind AS 19- "Employee Benefits" notified under section 133 of the Companies Act 2013 read with relevant rules issued thereunder. Necessary provisions are carried by NCDEX.

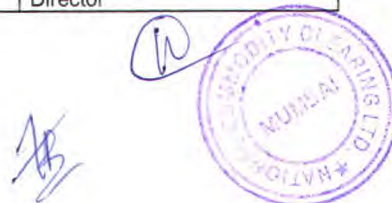
17 In the opinion of the management, as the Company's operations comprise of only facilitating Clearing & Settlement in commodity transactions and the activities incidental thereto within India, the disclosures required in terms of Ind AS 108 - "Operating Segment" under section 133 of the Companies Act 2013 read with relevant rules issued thereunder are not applicable.

Major Customer

100% of the revenue from operation is received from one customer.

18 In compliance with Ind AS 24 - "Related Party Disclosures" under section 133 of the Companies Act 2013 read with relevant rules issued thereunder, the required disclosures are given in the table below:

Related Party	Nature of Relationship
National Commodity & Derivatives Exchange Limited (NCDEX)	Holding Company
NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)	Fellow Subsidiary
NCDEX Institute of Commodity Markets & Research (NICR)	Fellow Subsidiary
National E-Repository Limited (NERL)	Fellow Subsidiary
Vijay Kumar V. (w.e.f. February 14, 2018)	Director
Atul Roongta (w.e.f. January 16, 2018)	Director
Laxmikant Gupta	Director
M.K. Ananda Kumar (Till date January 16, 2018)	Director
Samir Shah (Till date February 14, 2018)	Director



National Commodity Clearing Limited
(All amounts are Rs. In Lakhs)
Notes to Financial Statements for the year ended March 31, 2018

(b) Details of transactions (excluding taxes wherever levied/credit taken) with related parties are as follows:

(Rs. in Lakhs)

Name of the Related Party	Nature of Transactions	Year ended March 31, 2018	Year ended March 31, 2017
National Commodity & Derivatives Exchange Limited	• Clearing & Settlement Charges (Income)	369.13	452.44
	• Reimbursement paid for expenses on staff on deputation and apportioned	117.17	98.03
	• Reimbursement paid for other expenses incurred	53.79	53.87
	• Advances taken	19.93	-
	• Advances repaid	19.93	-
	• Bad Debts	-	-
	• Equity Shares issued	9,100.00	-
	• Fixed Asset Purchased	-	0.18
NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)	• Closing Balance (Credit)/Debit	20.38	38.07
	• Fixed Asset Purchased	-	0.22

19 In accordance with Ind AS - 33 "Earning per Share" notified under section 133 of the Companies Act 2013 read with relevant rules issued thereunder, the required disclosure is given below.

Earning per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net Profit attributable to Equity Shareholders (Rs. In Lakhs)	107.19	89.27
Weighted Average number of equity shares issued (No.)	12,977,397	4,750,000
Basic earnings per share of Rs. 10/- each (in Rs.)	0.83	1.88

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

20 Contingent liabilities and Commitments including capital commitments : Rs. NIL (Previous Year : Rs. NIL)

21 Other expenses also include expenses allocated by the holding company, The National Commodity & Derivatives Exchange Limited on proportionate sharing basis.

22 Statement of Reconciliation between the Indian GAAP and Ind AS

Para 1 of Note 22 :First time adoption of Ind AS

These are the Company's first financial statement prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and intangible assets under development at their Previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made in for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.



National Commodity Clearing Limited
(All amounts are Rs. in Lakhs)

Notes to Financial Statements for the year ended March 31, 2018

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- (a) Investment in mutual funds / Exchange Traded funds carried at FVPL

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of mutual funds has been based on the facts and circumstances that exist at the date of transition to Ind AS.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

A. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017.

B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

C. There is no impact on cash flows from operating, investing and financing activities for the year ended March 31, 2016 on account of transition to Ind AS.

A Reconciliation of Total equity as at March 31, 2017 and as at April 1, 2016 (Rs. in Lakhs)

	Note to First time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's fund) as per previous GAAP		1,303.10	1,234.21
Ind AS Adjustments:			
Fair valuation of investments through profit and loss account	2	48.10	21.63
Tax effects of above adjustments	2	(13.25)	(7.15)
Total adjustments		34.85	14.48
Total equity as per Ind AS		1,337.95	1,248.69

B Reconciliation of total comprehensive income

(Rs. in Lakhs)

	Note to First time adoption	March 31, 2017
Profit after tax as per Previous GAAP		68.89
Ind AS Adjustments:		
Fair valuation of investments through profit and loss account	2	26.47
Tax effects of above adjustments	2	(6.10)
Total adjustments		20.37
Total comprehensive income as per Ind AS		89.26



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National Commodity Clearing Limited
(All amounts are Rs. in Lakhs)
Notes to Financial Statements for the year ended March 31, 2018

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

A. Reconciliation of equity as at date of transition (April 1, 2016)

(Rs. in Lakhs)

Particulars	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
Assets				
Non-current Assets				
(a) Property, Plant and Equipment		0.23		0.23
(b) Other Intangible assets		117.91		117.91
(c) Intangible assets under development		-		-
(d) Income Tax Assets (net)		118.01		118.01
Total non-current assets		236.15	-	236.15
Current Assets				
(a) Financial Assets	2			
(1) Investments		463.00	21.63	484.63
(2) Trade Receivables		24.95		24.95
(3) Cash & Cash equivalents		0.98		0.98
(4) Bank Balance other than 3 above		511.56		511.56
(5) Others		27.89		27.89
(b) Other current assets		27.19		27.19
Total current assets		1,055.57	21.63	1,077.20
Total Assets		1,291.72	21.63	1,313.35
Equity & Liabilities				
(a) Equity Share capital		475.00		475.00
(b) Other Equity	4	759.21	14.48	773.69
Total Equity		1,234.21	14.48	1,248.69
Liabilities				
Non-current Liabilities				
(a) Deferred tax liabilities (Net)	3	29.52	7.15	36.67
Total non-current liabilities		29.52	7.15	36.67
Current Liabilities				
(a) Financial Liabilities				
(1) Trade payables		-		-
(b) Other current liabilities		27.99		27.99
Total current liabilities		27.99	-	27.99
Total Liabilities		57.50	7.15	64.66
Total equity and liabilities		1,291.71	21.63	1,313.35

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note



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National Commodity Clearing Limited
(All amounts are Rs. In Lakhs)
Notes to Financial Statements for the year ended March 31, 2018

Reconciliation of equity as at March 31, 2017

				(Rs. In Lakhs)
Particulars	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
Assets				
Non-current Assets				
(a) Property, Plant and Equipment		0.38		0.38
(b) Other Intangible assets		9.03		9.03
(c) Intangible assets under development		0.27		0.27
(d) Financial Assets				
(1) Others		29.01		29.01
(e) Income Tax Assets (net)		64.90		64.90
Total non-current assets		103.59	-	103.59
Current Assets				
(a) Financial Assets	2			
(1) Investments		618.49	48.10	666.59
(2) Trade Receivables		38.07		38.07
(3) Cash & Cash equivalents		0.66		0.66
(4) Bank Balance other than 3 above		550.50		550.50
(5) Others		13.15		13.15
(b) Other current assets		6.52		6.52
Total current assets		1,227.39	48.10	1,275.49
Total Assets		1,330.98	48.10	1,379.08
Equity & Liabilities				
(a) Equity Share capital		475.00		475.00
(b) Other Equity	4	828.10	34.85	862.95
Total Equity		1,303.10	34.85	1,337.95
Liabilities				
Non-current Liabilities				
(a) Deferred tax liabilities (Net)	3	(0.68)	13.25	12.57
Total non-current liabilities		(0.68)	13.25	12.57
Current Liabilities				
(a) Financial Liabilities				
(1) Trade payables		18.38		18.38
(b) Other current liabilities		10.18		10.18
Total current liabilities		28.56	-	28.56
Total Liabilities		27.88	13.25	41.13
Total equity and liabilities		1,330.98	48.10	1,379.08

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

				(Rs. in Lakhs)
Particulars	Notes to First time adoption	Previous GAAP*	Adjustments	Ind AS
National Commodity Clearing Limited				
Reconciliation of total comprehensive income for the year ended March 31, 2017				
INCOME				
Revenue from operations		452.44		452.44
Other Income	2	72.34	26.47	98.81
		524.78	26.47	551.25
EXPENSES				
Employee benefits expense		99.23		99.23
Depreciation & Amortization Expenses		109.13		109.13
Other Expenses		211.55		211.55
Total Expenses		419.91		419.91
Profit / (loss) before exceptional items and income tax		104.87		131.34
Exceptional item (net of tax)		-		-
Profit / (Loss) before tax		104.87		131.34
Tax expense	3	35.97	6.10	42.07
Profit / (Loss) for the period		68.90		89.27
Total comprehensive income for the period		68.90		89.27

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Para 2 of Note 22 : Investments

Mutual Funds

Under the Previous GAAP, investments in mutual funds were classified as long term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in other equity as at the date of transition i.e. April 1, 2016 and subsequently in the profit or loss for the year ended March 31, 2017.

Mutual funds	Increase/(Decrease) Balance Sheet Impact		Increase/(Decrease) Total Comprehensive Income Impact
	As at April 1, 2016	As at March 31, 2017	For the year ended March 31, 2017
Investment (Current)	21.63	26.47	
Total	21.63	26.47	
Other Equity (Retained earnings)	14.48	20.37	
Deferred Tax	7.15	6.10	(6.10)
Other income (Profit and loss)			26.47
Total	21.63	26.47	20.37

Para 3 of Note 22 : Deferred tax

Under Previous GAAP, deferred taxes are recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. Also deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Para 4 of Note 22: Retained Earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.



23 A Fair value measurement

(i) Fair value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value and are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation to each level follows underneath the table.

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements at 31.03.2018

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investment at FVPL					
Mutual Fund	5 (1)	594.43	-	-	594.43
Total Financial Assets		594.43	-	-	594.43

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements at 31.03.2017

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investment at FVPL					
Mutual Fund	5 (1)	666.60	-	-	666.60
Total Financial Assets		666.60	-	-	666.60

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements at 01.04.2016

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investment at FVPL					
Mutual Fund	5 (1)	484.64	-	-	484.64
Total Financial Assets		484.64	-	-	484.64

For financial assets and liabilities which are measured at amortised cost, their carrying amount is approximately equal to the fair values.

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2

If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of financial instruments that are not traded in an active market (for example, government securities) is determined using FIMMDA valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices and NAV.

(iii) Fair value measurements using significant unobservable inputs (level 3)

No items falling in level 3 during the restated period.

(iv) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Expert opinion is taken as and when required.



B Financial Instruments by category

(Rs. In Lakhs)

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Amortized Cost	FVPL	Amortized Cost	FVPL	Amortized Cost	FVPL
Financial Assets						
Investments in Mutual Fund		594.43		666.60		484.64
Fixed Deposits	9,683.50		579.50		511.56	
Trade Receivables	20.38		38.07		24.95	
Cash & Bank Balance	1.26		0.66		0.98	
Accrued Interest	60.69		13.16		27.89	
Total Financial Assets	9,765.82	594.43	631.39	666.60	565.38	484.64
Financial Liabilities						
Trade payables	0.22		18.38		-	
Total Financial Liabilities	0.22	-	18.38	-	-	-

24 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Treasury department that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies internally generated funds.

A MANAGEMENT OF LIQUIDITY RISK

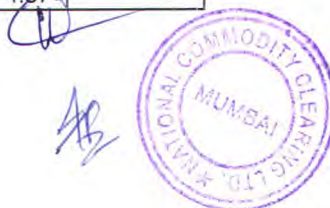
Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintains a conservative funding and investment strategy, with a positive cash balance during the year ended 31st March, 2018. This was the result of cash generated from operating activities to provide the funds to service the financial liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, is retained as cash equivalents (to the extent required), other highly liquid investments and excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the returns on investments while ensuring sufficient liquidity to meet its liabilities.

Particulars	Carrying amount	Payable on demand	Less Than 12 Month	More than 12 months
As at March 31, 2018				
Trade payables	0.22	-	0.22	-
Statutory liabilities	10.41	-	10.41	-
Other liabilities	12.95	-	12.95	-

Particulars	Carrying amount	Payable on demand	Less Than 12 Month	More than 12 months
As at March 31, 2017				
Trade payables	18.38	-	18.38	-
Statutory liabilities	5.81	-	5.81	-
Other liabilities	4.37	-	4.37	-



B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- interest rate risk

The above risks may affect the Company's income and expenses, or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns.

C CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet). – retained profit, share capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company aims to translate profitable growth to superior cash generation through efficient capital management. 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's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company is required to maintain the minimum networth of Rs.100 crores post recognition as a clearing corporation and enhance it to Rs.300 crores at the end of third year as per SEBI guidelines.

- 25 In accordance with relevant provision of the Companies Act, 2013, the Company did not have any long term contracts including derivative contracts as at March 31, 2018.
- 26 For the year 2017-18, the Company is not required to transfer any amount into the Investors education and protection fund as required under relevant provisions of the Companies Act, 2013.
- 27 Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new Standard Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.



28 Previous year figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

For HARIBHAKTI & CO. LLP
Chartered Accountants
Firm Regn. No. 103523W/W100048



SUMANT SAKHARDANDE
Partner
Membership No. 034828



Place Mumbai
Date May 17, 2018

For and on behalf of the Board of Directors
National Commodity Clearing Limited



ATUL ROONGTA
Director
DIN : 07878061



LAXMIKANT GUPTA
Director
DIN : 07788143

