

NATIONAL SECURITIES DEPOSITORY LIMITED
Statement of Consolidated Financial Results for the Quarter and Year ended 31st March, 2020

(C in Lakh)

| Sr. No. | Particulars | Quarter ended | | | Year ended | |
|-----------|---|-----------------|-----------------|-----------------|------------------|------------------|
| | | 31.03.2020 | 31.12.2019 | 31.03.2019 | 31.03.2020 | 31.03.2019 |
| | | (Note 6) | (Note 5) | (Note 6) | (Audited) | (Audited) |
| 1 | Incomes | | | | | |
| | a. Revenue from operations | 8,449.03 | 7,802.92 | 8,017.08 | 32,606.96 | 29,146.58 |
| | b. Other income | 1,365.65 | 1,375.10 | 1,543.90 | 5,328.47 | 4,954.65 |
| | Total Income | 9,814.68 | 9,178.02 | 9,560.98 | 37,935.43 | 34,101.23 |
| 2 | Expenses | | | | | |
| | a. Employee benefits expense | 1,879.52 | 1,948.06 | 1,669.09 | 7,344.16 | 6,043.95 |
| | b. Depreciation and amortisation expense | 337.68 | 312.69 | 190.22 | 1,283.00 | 693.99 |
| | c. Finance cost (Note 2) | 27.06 | 25.82 | - | 109.66 | - |
| | d. Contribution to Investor Protection Fund | 134.67 | 104.92 | 116.41 | 518.53 | 429.11 |
| | e. Other expenses (Note 3) | 3,414.97 | 3,249.73 | 3,573.21 | 12,458.72 | 11,389.11 |
| | Total Expenses | 5,793.90 | 5,641.22 | 5,548.93 | 21,714.07 | 18,556.16 |
| 3 | Profit before Exceptional Items and Tax (1 - 2) | 4,020.78 | 3,536.80 | 4,012.05 | 16,221.36 | 15,545.07 |
| 4 | Exceptional Items (Note 4) | - | - | - | - | 807.88 |
| 5 | Profit before Tax (3 - 4) | 4,020.78 | 3,536.80 | 4,012.05 | 16,221.36 | 14,737.19 |
| 6 | Tax Expenses | | | | | |
| | a. Current tax | 774.46 | 806.99 | 927.14 | 3,628.76 | 3,718.56 |
| | b. Adjustment for current tax of prior periods | (0.12) | - | - | (0.12) | 0.83 |
| | c. Deferred tax (Note 9) | 92.54 | (2.05) | (2.95) | 116.51 | (70.42) |
| | Tax Expenses (a+b) | 866.88 | 804.94 | 924.19 | 3,745.15 | 3,648.97 |
| 7 | Net Profit after Tax (5-6) | 3,153.90 | 2,731.86 | 3,087.86 | 12,476.21 | 11,088.22 |
| 8 | Other comprehensive Income (net of tax) | 259.83 | (138.94) | 1.54 | 119.53 | (52.79) |
| 9 | Total Comprehensive Income (7+8) | 3,413.73 | 2,592.92 | 3,089.40 | 12,595.74 | 11,035.43 |
| 10 | Basic and Diluted Earnings per share (₹) (*not annualised) | *7.88 | *6.83 | *7.72 | 31.19 | 27.72 |

NOTES :-

- The above consolidated financial results for the Quarter and Year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 18th June, 2020. The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant Rules issued thereunder and the other accounting principles generally accepted in India.
- The Company has applied Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using prospective method. Accordingly, the Company is not required to restate comparative information and or make any adjustment to the opening balance of retained earnings as on April 01, 2019. The Company has measured the right-of-use asset at an amount equal to lease liability, adjusted by the amount of prepaid / accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS. Accordingly Company has recognised equal amount of ₹ 1,489.29 Lakh towards right-of-use asset and lease liability as at April 01, 2019. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly during the period, the Company has charged depreciation amounting to ₹ 378.70 Lakh, finance cost ₹ 108.57 Lakh instead of lease rentals of ₹ 434.69 Lakh. These charges are for the lease assets and liability created during the period ended March 31, 2020. As a result of this, Profit for the year and Total Comprehensive Income for the year is lower by ₹ 52.58 Lakh (net of deferred tax of ₹ 8.08 Lakh).
- The company has opted for the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019, for settlement of Service Tax Payable of earlier year (2009-10). Accordingly an provision of ₹ 325.93 lakh has been included in Other expenses in the Quarter ended 31st December, 2019.
- During FY 2018-19, SEBI directed the Company to refund System Driven Disclosure fees charged to the issuers of securities during financial year ended 31st March, 2017. Consequently, the Company reversed the income from system driven disclosure fees net of Service Tax.
- The consolidated figures for the corresponding Quarter ended 31st December, 2019, as reported in the statement have been approved by the Board of Directors of the Company, but have not been subjected to review by the Statutory Auditors.
- The Statement includes the consolidated results for the Quarter ended 31st March, 2020 being the balancing figure between audited figures in respect of the Year ended 31st March, 2020, and published Nine months figures which were subject to limited review by the Statutory Auditors. Also it includes the consolidated results for the Quarter ended 31st March, 2019 being the balancing figure between audited figures in respect of the Year ended 31st March, 2019 and the Nine months figures for the period ended 31st December, 2018.
- The Board of Directors of the Company have recommended a dividend of ₹ 4.00 per share (40%) in respect of the year ended 31st March, 2020, subject to approval of shareholders at the Annual General Meeting.
- The outbreak of COVID-19 pandemic across the globe and India has contributed to a significant volatility in the global and Indian financial markets and slowdown in the economic activities. The Government of India have introduced a variety of measures to contain the spread of the virus including countrywide lockdown for a specified period. The Company being Depository was allowed to operate during such specified period. In assessing the impact of COVID-19 pandemic on recoverability of its assets, the Company has considered internal and external sources of information, economic forecasts and industry reports up-to the date of approval of these financial results. Based on current indicators of future economic conditions, the Company is of the view that impact of COVID-19 pandemic is not likely to be material. The Company will continue to monitor any material changes to the future economic conditions.

- 9) The Taxation Laws (Amendment) Ordinance 2019, has inserted section 115BAA in the Income Tax Act, 1961, providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with consequential surrender of specified deductions/ incentives. The option needs to be exercised within the prescribed time for filing the return of income under section 139(1) of the Income Tax Act, 1961, for assessment year (AY) 2020-21 or subsequent AYs. Once exercised, such option cannot be withdrawn for the same or subsequent AYs.

These financial results are prepared on the basis that the Company would avail the option to pay income tax at the lower rate. Consequently, the opening deferred tax asset has been measured at the lower rate and the consolidated tax expenses include a total tax debit of ₹45.87 Lakh.

10) The Statement of consolidated assets and liabilities as at 31st March 2020 is given below:

| Particulars | As at | | As at | |
|---|------------------|--------------------|------------------|------------------|
| | 31st March, 2020 | | 31st March, 2019 | |
| (C in Lakh) | | | | |
| I. ASSETS | | | | |
| Non-Current Assets | | | | |
| a) Property, plant and equipment | 2,446.41 | | 2,003.46 | |
| b) Capital work-in-progress | 27.25 | | 922.14 | |
| c) Other intangible assets | 1,807.27 | | 1,605.22 | |
| d) Intangible asset under development | 1,039.35 | | - | |
| d) Right of use | 1,173.05 | 6,493.33 | - | 4,530.82 |
| d) Financial assets | | | | |
| i) Non-current investments | 61,934.23 | | 53,735.62 | |
| ii) Other financial assets | 663.13 | | 547.74 | |
| e) Deferred tax assets (net) | 343.61 | | 392.01 | |
| f) Income tax assets (net) | 668.11 | | 636.27 | |
| g) Other non-current assets | 1,488.96 | 65,098.04 | 605.87 | 55,917.51 |
| Current Assets | | | | |
| a) Financial assets | | | | |
| i) Current investments | 14,475.97 | | 9,839.11 | |
| ii) Trade receivables | 8,128.02 | | 7,175.28 | |
| iii) Cash and cash equivalents | 2,913.82 | | 4,601.48 | |
| iv) Bank balances other than (iii) above | 7,646.50 | | 8,413.88 | |
| v) Other financial assets | 536.56 | | 422.23 | |
| b) Other current assets | 1,491.69 | 35,192.56 | 1,300.60 | 31,752.58 |
| Total | | 1,06,783.93 | | 92,200.91 |
| II. EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| a) Equity share capital | 4,000.00 | | 4,000.00 | |
| b) Other equity | 80,674.24 | 84,674.24 | 69,525.16 | 73,525.16 |
| LIABILITIES | | | | |
| Non-Current Liabilities | | | | |
| a) Financial liabilities | | | | |
| i) Lease liability | 960.78 | | - | |
| ii) Other financial liabilities | 273.19 | | 105.19 | |
| b) Deferred tax liability (Net) | 121.96 | | 53.85 | |
| c) Other non-current liabilities | 18.03 | | 11.95 | |
| d) Provisions | 44.40 | 1,418.36 | 14.71 | 185.70 |
| Current Liabilities | | | | |
| a) Financial Liabilities | | | | |
| i) Trade payables | | | | |
| a) Total outstanding dues of micro enterprises and small enterprises | 235.00 | | 171.24 | |
| b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,433.53 | | 1,533.15 | |
| ii) Lease liability | 253.50 | | - | |
| iii) Other financial liabilities | 7,823.88 | | 7,318.43 | |
| b) Provisions | 2,904.72 | | 2,262.55 | |
| c) Current tax liability (net) | 1,105.09 | | 1,718.67 | |
| d) Other current liabilities | 5,935.61 | 20,691.33 | 5,486.01 | 18,490.05 |
| Total | | 1,06,783.93 | | 92,200.91 |

11) Consolidated Cash Flow Statement for the Year ended 31st March, 2020 is given below:

(₹ in Lakh)

| Particulars | For the Year ended 31st March, 2020 | For the Year ended 31st March, 2019 |
|--|--|--|
| A. Cash Flow From Operating Activities | | |
| Profit before tax | 16,221.36 | 14,737.19 |
| Adjustments for : | | |
| Depreciation and amortisation expense | 1,283.00 | 693.99 |
| Provision for compensated absences | 218.86 | 107.09 |
| Provision for investor awareness | 452.99 | 409.84 |
| Provision for doubtful trade receivables | 273.58 | 369.00 |
| Bad debts written off | 23.24 | 82.96 |
| Contribution to investor protection fund | 518.53 | 429.11 |
| Fair value gain on investments in mutual funds | (1,325.52) | (493.40) |
| Dividend income from current investments | (163.79) | (316.38) |
| Loss / (Profit) on sale of property, plant and equipment | 0.25 | - |
| Profit on sale of investments | - | (285.67) |
| Interest income | (3,339.95) | (4,048.51) |
| Operating Profit before Working Capital Changes | 14,162.55 | 11,685.22 |
| Changes in Working Capital: | | |
| (Increase) / decrease other assets | (182.37) | (497.47) |
| (Increase) / decrease other financial assets | (230.68) | (91.64) |
| (Increase) / decrease trade receivables | (1,249.56) | (2,590.49) |
| Increase / (decrease) trade payables | 964.14 | (494.99) |
| Increase / (decrease) other financial liabilities | 1,800.55 | 637.91 |
| Increase / (decrease) provisions | 119.54 | 0.01 |
| Increase / (decrease) other liabilities | 455.68 | 488.65 |
| Cash generated from Operations | 15,839.85 | 9,137.20 |
| Net income tax paid | (4,274.06) | (3,305.42) |
| Net Cash generated from Operating Activities (A) | 11,565.79 | 5,831.78 |
| B. Cash Flow from Investing Activities | | |
| Capital expenditure on property, plant and equipment, intangible assets, capital advance | (4,044.79) | (2,122.19) |
| Bank balances not considered as cash and cash equivalents | | |
| i) Placed | (7,124.48) | (7,367.73) |
| ii) Matured | 7,367.73 | 7,828.85 |
| Purchase of non-current investments | (8,208.88) | (12,916.81) |
| Sale / Redemption of non-current investments | 10.27 | 2,299.05 |
| Proceeds / (Purchase) of current investments (Net) | (3,311.34) | 1,163.74 |
| Dividend received from current investments | 163.79 | 316.38 |
| Interest received | 3,340.91 | 3,917.04 |
| Net Cash used in Investing Activities (B) | (11,806.79) | (6,881.67) |
| C. Cash Flow from Financing Activities | | |
| Dividend paid | (1,200.00) | (1,000.00) |
| Dividend distribution tax paid | (246.66) | (205.55) |
| Net Cash used in Financing Activities (C) | (1,446.66) | (1,205.55) |
| Net decrease in Cash and Cash Equivalents (A+B+C) | (1,687.66) | (2,255.44) |
| Cash and cash equivalents at the beginning of the year | 4,601.48 | 6,856.92 |
| Cash and Cash Equivalents at the end of the year (Refer Note 10) | 2,913.82 | 4,601.48 |

12) Segment Information :

| Particulars | Quarter ended | | | Year ended | |
|--|-----------------|-----------------|-----------------|------------------|------------------|
| | 31.03.2020 | 31.12.2019 | 31.03.2019 | 31.03.2020 | 31.03.2019 |
| | (Note 6) | (Note 5) | (Note 6) | (Audited) | (Audited) |
| (₹ in Lakh) | | | | | |
| Segment Revenue | | | | | |
| Depository | 6,522.10 | 5,983.38 | 6,104.46 | 24,956.57 | 21,727.56 |
| Database management services | 1,775.29 | 1,758.55 | 1,771.67 | 7,047.21 | 6,877.12 |
| Banking services | 151.64 | 60.99 | 140.95 | 603.18 | 541.90 |
| Total | 8,449.03 | 7,802.92 | 8,017.08 | 32,606.96 | 29,146.58 |
| Less: Inter segment revenue | - | - | - | - | - |
| Total Revenue | 8,449.03 | 7,802.92 | 8,017.08 | 32,606.96 | 29,146.58 |
| Segment Results | | | | | |
| Depository | 2,359.70 | 1,906.03 | 2,022.91 | 9,715.68 | 8,843.76 |
| Database management services | 864.11 | 664.89 | 541.42 | 2,715.64 | 2,200.28 |
| Banking services | (458.14) | (412.66) | (281.18) | (1,430.10) | (726.44) |
| Total | 2,765.67 | 2,158.26 | 2,283.15 | 11,001.22 | 10,317.60 |
| Add: Other unallocable income net of unallocable expense | 390.68 | 468.48 | 824.17 | 1,822.07 | 1,518.47 |
| Operating Profit | 3,156.35 | 2,626.74 | 3,107.32 | 12,823.29 | 11,836.07 |
| Add: Interest income | 891.49 | 935.88 | 904.73 | 3,507.73 | 3,709.00 |
| Less: Finance cost | 27.06 | 25.82 | - | 109.66 | - |
| Less: Exceptional Items | - | - | - | - | 807.88 |
| Profit before Tax | 4,020.78 | 3,536.80 | 4,012.05 | 16,221.36 | 14,737.19 |
| Less: Tax Expenses | 866.88 | 804.94 | 924.19 | 3,745.15 | 3,648.97 |
| Profit after Tax | 3,153.90 | 2,731.86 | 3,087.86 | 12,476.21 | 11,088.22 |

| Particulars | As at | | |
|------------------------------|--------------------|--------------------|------------------|
| | 31.03.2020 | 31.12.2019 | 31.03.2019 |
| | (Audited) | (Note 5) | (Audited) |
| (₹ in Lakh) | | | |
| Segment Assets | | | |
| Depository | 13,844.52 | 13,301.69 | 13,734.79 |
| Database management services | 2,860.30 | 2,905.82 | 1,912.30 |
| Banking services | 4,714.45 | 3,578.78 | 3,239.97 |
| Unallocated | 85,364.66 | 84,519.09 | 73,313.85 |
| Total | 1,06,783.93 | 1,04,305.38 | 92,200.91 |
| Segment Liabilities | | | |
| Depository | 15,773.46 | 16,907.34 | 12,980.83 |
| Database management services | 3,806.94 | 3,697.19 | 2,596.00 |
| Banking services | 780.22 | 618.55 | 280.25 |
| Unallocated | 1,749.07 | 1,821.79 | 2,818.67 |
| Total | 22,109.69 | 23,044.87 | 18,675.75 |

13) The figures for the corresponding previous period have been restated / regrouped wherever necessary to make them comparable.

For and on behalf of Board

S/d
G V Nageswara Rao
 Managing Director & CEO
 DIN : 00799504

Mumbai, 18th June, 2020