

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

(₹ 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 6)	(Note 6)	(Audited)	(Audited)
1	Incomes					
	a. Revenue from operations	6,524.08	5,983.38	6,104.46	24,958.55	21,727.56
	b. Other income	1,105.62	1,023.89	1,457.91	4,087.44	4,297.73
	Total Income	7,629.70	7,007.27	7,562.37	29,045.99	26,025.29
2	Expenses					
	a. Employee benefits expense	1,438.93	1,528.77	1,306.50	5,739.38	4,749.42
	b. Depreciation and amortisation expense	121.50	114.68	73.13	476.35	293.38
	c. Finance cost (Note 3)	4.69	2.77	-	14.12	-
	d. Contribution to Investor Protection Fund	134.67	104.92	116.41	518.53	429.11
	e. Other expenses (Note 4)	2,476.91	2,328.98	2,431.69	8,516.29	7,258.02
	Total Expenses	4,176.70	4,080.12	3,927.73	15,264.67	12,729.93
3	Profit before Exceptional Items and Tax (1 - 2)	3,453.00	2,927.15	3,634.64	13,781.32	13,295.36
4	Exceptional Items (Note 5)	-	-	-	-	807.88
5	Profit before Tax (3 - 4)	3,453.00	2,927.15	3,634.64	13,781.32	12,487.48
6	Tax Expenses					
	a. Current tax	623.32	607.55	809.87	2,891.76	2,992.23
	b. Deferred tax (Note 9)	45.13	(6.83)	(55.63)	48.40	(98.39)
	Tax Expenses (a+b)	668.45	600.72	754.24	2,940.16	2,893.84
7	Net Profit after Tax (5-6)	2,784.55	2,326.43	2,880.40	10,841.16	9,593.64
8	Other comprehensive Income (net of tax)	203.86	(117.44)	(8.90)	82.96	(52.97)
9	Total Comprehensive Income (7+8)	2,988.41	2,208.99	2,871.50	10,924.12	9,540.67
10	Basic and Diluted Earnings per share (₹) (*not annualised)	*6.96	*5.82	*7.20	27.10	23.98

NOTES :-

- The above 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 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's main business is to provide Depository services. All other activities revolve around the main business. As such, there are no separate reportable operating segments as per the stipulations of Indian Accounting Standards (Ind AS) 108 "Operating Segments".
- 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 ₹ 165.07 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 ₹ 85.33 Lakh, finance cost ₹ 14.12 Lakh instead of lease rentals of ₹ 97.61 Lakh. These charges are for the lease assets and liability created during the year ended March 31, 2020. As a result of this, Profit for the year and Total Comprehensive Income for the year is lower by ₹ 1.84 Lakh (net of deferred tax of ₹ 0.46 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 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 Statement includes the results for the Quarter ended 31st December, 2019 being the balancing figure between audited figures in respect of the Six months ended 30th September, 2019, and the published Nine months figures which were subject to limited review by the Statutory Auditors. Also it includes the results for the Quarter ended 31st March, 2019 & 31st March, 2020 being the balancing figure between audited figures in respect of the Year ended 31st March, 2019 & 31st March, 2020 and the published Nine months figures of the respective financial year which were subject to limited review by the Statutory Auditors.
- 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 tax expenses include a total tax debit of ₹53.17 Lakh.

10) The Statement of Assets and Liabilities as at 31st March 2020 is given below:

(₹ in Lakh)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
I. ASSETS				
Non-Current Assets				
a) Property, plant and equipment	2,046.53		1,604.41	
b) Other intangible assets	62.01		84.62	
c) Right of use of assets	129.17	2,237.71	-	1,689.03
d) Financial assets				
i) Non-current investments	68,244.35		57,987.90	
ii) Other financial assets	580.12		484.81	
e) Deferred tax assets (net)	343.61		392.01	
f) Income tax assets (net)	549.37		562.35	
g) Other non-current assets	1,435.52	71,152.97	541.30	59,968.37
Current Assets				
a) Financial assets				
i) Current investments	9,406.51		7,951.09	
ii) Trade receivables	7,450.04		6,480.30	
iii) Cash and cash equivalents	1,071.23		3,803.20	
iv) Bank balances other than (iii) above	522.02		1,046.15	
v) Other financial assets	231.68		241.80	
b) Other current assets	888.27	19,569.75	667.75	20,190.29
Total		92,960.43		81,847.69
II. EQUITY AND LIABILITIES				
EQUITY				
a) Equity share capital	4,000.00		4,000.00	
b) Other equity	71,723.18	75,723.18	62,245.72	66,245.72
LIABILITIES				
Non-Current Liabilities				
Financial Liabilities				
a) Lease liability	74.60		-	
b) Other financial liabilities	273.19	347.79	105.19	105.19
Current Liabilities				
a) Financial Liabilities				
i) Trade payables				
a) Total outstanding dues of micro enterprises and small enterprises	100.92		80.20	
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,736.57		1,051.56	
ii) Lease liability	56.41		-	
iii) Other financial liabilities	7,288.80		6,904.53	
b) Provisions	2,729.63		2,117.50	
c) Current tax liability (net)	939.01		1,564.23	
d) Other current liabilities	4,038.12	16,889.46	3,778.76	15,496.78
Total		92,960.43		81,847.69

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

Particulars	(₹ in Lakh)	
	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
A. Cash Flow From Operating Activities		
Profit before tax	13,781.32	12,487.48
Adjustments for :		
Depreciation and amortisation expense	476.35	293.38
Provision for compensated absences	159.13	92.36
Provision for investor awareness	452.99	409.84
Provision for doubtful trade receivables	274.91	362.48
Bad debts written off	-	74.78
Contribution to investor protection fund	518.53	429.11
Fair value gain on investments in mutual funds	(985.43)	(306.78)
Dividend income from current investments	(163.79)	(316.38)
Loss / (Profit) on sale of property, plant and equipment	0.05	-
Profit on sale of investments	-	(389.96)
Interest income	(2,583.20)	(2,817.41)
Operating Profit before Working Capital Changes	11,930.86	10,318.90
Changes in Working Capital:		
(Increase) / decrease other assets	(222.93)	(263.86)
(Increase) / decrease other financial assets	(87.15)	(75.56)
(Increase) / decrease trade receivables	(1,244.65)	(3,048.88)
Increase / (decrease) trade payables	705.73	386.28
Increase / (decrease) other financial liabilities	689.94	100.22
Increase / (decrease) provisions	82.97	-
Increase / (decrease) other liabilities	259.36	673.19
Cash generated from Operations	12,114.13	8,090.29
Net income tax paid	(3,504.00)	(2,560.37)
Net Cash generated from Operating Activities (A)	8,610.13	5,529.92
B. Cash Flow from Investing Activities		
Capital expenditure on property, plant and equipment, intangible assets, capital advance	(1,917.95)	(1,079.31)
Investment in subsidiary	(3,500.00)	(1,200.00)
Purchase of non-current investments	(6,766.72)	(11,620.87)
Sale / Redemption of non-current investments	10.27	3,515.45
Proceeds / (Purchase) of current investments (Net)	(469.99)	1,675.06
Dividend received from current investments	163.79	316.38
Interest received	2,585.16	2,821.02
Net Cash used in Investing Activities (B)	(9,895.44)	(5,572.27)
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)	(2,731.97)	(1,247.90)
Cash and cash equivalents at the beginning of the year	3,803.20	5,051.10
Cash and Cash Equivalents at the end of the year (Refer Note 10)	1,071.23	3,803.20

12) 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