

Statement of Financial Results for the Quarter and Year Ended March 31, 2021

(₹ In lakhs)

Sr. No.	Particulars	Quarter ended			Year ended	
		Mar 31, 2021 (Unaudited)	Dec 31, 2020 (Unaudited)	Mar 31, 2020 (Unaudited)	Mar 31, 2021 (Audited)	Mar 31, 2020 (Audited)
		1	2	3	4	5
1	Income					
(a)	Revenue from operations	341.58	354.68	296.09	1,199.84	1,842.93
(b)	Other Income	242.71	231.03	360.97	1,009.37	1,461.91
	Total Income	584.29	585.71	657.06	2,209.21	3,304.84
2	Expenditure					
(a)	Employee benefits expense	276.81	279.61	272.97	1,126.59	1,145.68
(b)	Technology expenses	101.17	129.56	120.68	540.34	655.61
(c)	Rent expenses	22.98	22.06	28.53	101.72	115.02
(d)	Depreciation and Amortization expenses	29.93	28.15	16.74	103.46	50.24
(e)	Other expenses	82.59	77.67	126.63	314.43	472.70
	Total expenses	513.48	537.05	565.55	2,186.54	2,439.25
3	Profit / (Loss) before exceptional items and tax (1-2)	70.81	48.66	91.51	22.67	865.59
4	Exceptional Items (refer note 6)	-	-	38.05	93.01	668.07
5	Profit / (Loss) after exceptions items and before tax(3-4)	70.81	48.66	53.46	(70.34)	197.52
6	Tax expense					
	Current tax	15.81	2.70	23.35	18.51	248.96
	Deferred tax	6.14	12.73	(0.09)	(33.95)	(174.20)
	Total tax expense	21.95	15.43	23.26	(15.44)	74.76
7	Net Profit / (Loss) after tax (5-6)	48.86	33.23	30.20	(54.90)	122.76
8	Other Comprehensive Income / (Loss) (net of tax)					
	<u>Items that will not be reclassified to profit or loss</u>					
	Remeasurements of post-employment benefit obligations	22.92	(8.93)	8.06	(0.71)	(19.86)
	Tax remeasurements of post-employment benefit obligations	(6.37)	2.48	(2.24)	0.20	5.53
	Other Comprehensive Income / (Loss)	16.55	(6.45)	5.82	(0.51)	(14.33)
9	Total Comprehensive Income / (Loss) (7+8)	65.41	26.78	36.02	(55.41)	108.43
10	Paid-up equity share capital (Face value ₹ 10 per share)	12,125	12,125	11,550	12,125	11,550
11	Reserves (excluding Revaluation Reserve)				3223.35#	2534.94#
12	Earnings per share (Face value ₹ 10 per share)					
	Basic (₹)	0.04*	0.03*	0.03*	(0.05)	0.11
	Diluted (₹)	0.04*	0.03*	0.03*	(0.05)	0.11
	* Not Annualised					

Includes Company's own contribution towards Core SGF amounting to ₹ 11,931.50 lakhs (March 31, 2020 : ₹ 11,356.50 lakhs) and income earned thereon amounting to ₹ 1,931.18 lakhs (March 31, 2020 : ₹ 1,187.36 lakhs) aggregating to ₹ 13,862.68 lakhs (March 31, 2020 : ₹ 12,543.86 lakhs).



National Commodity Clearing Limited
Statement of Assets and Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021 Audited	As at March 31, 2020 Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	70.57	71.29
Other intangible assets	270.11	176.02
Intangible assets under development	238.98	141.56
Financial assets		
- Other financial assets		
- Bank balances	521.93	1,224.57
- Others	1.37	8.99
Deferred tax assets (net)	231.29	197.14
Income tax assets	273.24	206.42
Other non-current assets	0.15	0.48
Total non-current assets	1,607.64	2,026.47
Current Assets		
Financial assets		
- Investment	4,267.98	-
- Trade receivables	1,948.07	2,072.03
- Cash and cash equivalents	12,585.57	4,283.54
- Bank balances other than cash and cash equivalents	29,988.09	32,113.13
- Others	1,077.87	3,011.21
Other current assets	52.64	70.60
Total current assets	49,920.22	41,550.51
TOTAL ASSETS	51,527.86	43,576.98
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	12,125.00	11,550.00
Other equity	10,573.08	9,199.73
Total Equity	22,698.08	20,749.73
LIABILITIES		
Non-current liabilities		
Provisions	140.57	88.88
Total non-current liabilities	140.57	88.88
Current liabilities		
Financial liabilities		
- Deposits	8,778.06	9,757.04
- Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	359.48	11.23
- Total outstanding dues of creditors other than micro enterprises and small enterprises	51.80	250.80
- Other Financial liabilities	19,027.86	12,554.78
Other current liabilities	135.36	55.18
Provisions	118.84	109.34
Current Tax Liabilities	217.81	-
Total current liabilities	28,689.21	22,738.37
TOTAL LIABILITIES	28,829.78	22,827.25
TOTAL EQUITY AND LIABILITIES	51,527.86	43,576.98

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National Commodity Clearing Limited
Statement of Cash Flow for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities		
Profit/(loss) before tax	(70.34)	197.52
<u>Adjustments for:</u>		
Depreciation & amortisation	103.46	50.24
Loss on sale of fixed assets	0.84	-
Provision for doubtful debts / loss incurred during liquidation (Exceptional items)	93.01	668.07
Net gain on sale of investments measured at Fair Value through Profit or Loss	(89.84)	(155.41)
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	(3.47)	-
Interest income on Bank deposit	(906.35)	(1,271.42)
Operating profit before working capital changes	(872.69)	(511.00)
Movements in working capital:		
Decrease / (Increase) in trade receivables	30.95	(2,537.52)
Decrease / (Increase) in other current assets	17.96	(37.70)
Decrease / (Increase) in other non current assets	(0.05)	1.19
Decrease / (Increase) in other financial assets	3.59	(6.58)
Increase / (Decrease) in long term provision	51.69	48.29
Increase / (Decrease) in trade payables	149.25	13.94
Increase / (Decrease) in Short term provision	8.79	13.47
Increase / (Decrease) in financial liabilities	5,484.09	8,556.49
Increase / (Decrease) in other current liabilities	80.18	(16.08)
Cash generated/(used) from operations	4,953.76	5,524.50
Contribution to Core SGF by Exchange and Settlement Penalties (net of funding from SGF)	285.44	3,019.10
Direct taxes paid (net of refunds)	132.48	(389.39)
Net cash generated/(used) in operating activities (A)	5,371.68	8,154.21
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets and CWIP	(284.70)	(262.85)
Purchase of current investments	(247,450.97)	(637,599.00)
Proceeds from sale of current investments	245,122.86	638,250.63
Interest received	2,140.48	2,393.06
Investment in fixed deposits	(220,519.31)	(34,176.55)
Redemption/Maturity of fixed deposits	223,346.99	25,309.52
Net cash generated/(used) in investing activities (B)	2,355.35	(6,085.19)
C. Cash Flows from financing activities		
Proceed of issue of equity shares	575.00	975.00
Share issue expenses	-	(20.98)
Net cash generated/(used) from financing activities (C)	575.00	954.02
Net increase / (decrease) in cash and cash equivalents (A + B + C)	8,302.03	3,023.04
Cash and cash equivalents at the beginning of the year	4,283.54	1,260.50
Cash and cash equivalents at the end of the year	12,585.57	4,283.54
Components of cash and cash equivalents (Refer note 9)		
Cash and cheques on hand	-	-
With Banks		
- on current accounts *	624.57	102.54
- on fixed deposits (Original maturity being three months or less) **	11,961.00	4,181.00
Total	12,585.57	4,283.54
<p>* Includes current account for Core Settlement Guarantee Fund ₹ 0.02 lakhs (March 31, 2020 : ₹ 0.02 lakhs). ** Includes Fixed Deposit for Core Settlement Guarantee Fund ₹ NIL (March 31, 2020 : ₹ NIL).</p> <p>The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.</p> <p>Previous year figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.</p>		



Notes:

- The above audited financial results for the year ended March 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on May 17, 2021 and May 18, 2021 respectively.
- The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective year.
- Securities and Exchange Board of India (SEBI) vide letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/025765/1 dated September 12, 2018 granted recognition to the Company as a 'Clearing Corporation' under Regulation 4 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 for one year. Subsequently, the Company made application for grant of renewal of recognition as a clearing corporation and SEBI vide letter no. SEBI/HO/CDMRD/DRMP/OW/P/2019/22794/1 dated September 05, 2019 granted renewal of recognition to the Company as a "Clearing Corporation" for a period of three years commencing from September 10, 2019.
- Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%) from its own fund, Stock Exchange (minimum 25%) and members (maximum 25%). Based on this the Company has created the Core Settlement Guarantee Fund.

The details of Core SGF as on March 31, 2021 are as under.

(₹ In lakhs)

Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
As on April 01, 2020	3,326.10	12,543.86	3,338.69	-	19,208.65
Additional Contribution (a)	285.44	575.00	-	-	860.44
Interest on income tax refund	0.03	0.90	0.24	-	1.17
Income on investment of SGF (as on respective dates of contribution) adjusted towards contribution (b)	-	-	-	-	-
Income on investment of SGF (other than stated in (b) above) (c)	206.54	742.92	192.69	-	1,142.15
As on March 31, 2021	3,818.11	13,862.68	3,531.62	-	21,212.41

The above Core SGF amounting to ₹ 21,212.41 lakhs has been considered by the management as a part of equity and is included under "Other Equity".

Details of earmarking of funds towards Core SGF are as under:

(₹ In lakhs)

Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	-
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	3,669.40	12,998.67	3,416.35	-	20,084.42
Fixed deposits included under 'Non-current bank balances'	-	497.41	-	-	497.41
Accrued Interest on Fixed Deposits	106.15	239.42	78.09	-	423.66
TDS on Interest/Income	21.59	127.18	37.17	-	185.94
Balance with Bank	0.02	-	-	-	0.02
Total	3,797.16	13,862.68	3,531.61	-	21,191.45

**Includes penalty levied for the month of March 2021 of ₹ 20.96 lakhs transferred in subsequent month.

Company's own contribution to Core SGF for the quarter ended March 31, 2021, December 31, 2020 and March 31, 2020 is ₹ NIL, ₹ NIL and ₹ NIL respectively and for year ended March 31, 2021 and March 31, 2020 is ₹ 575.00 lakhs & ₹ 975.00 lakhs respectively.

- The Company, vide its letter dated September 5, 2018, had given an undertaking to SEBI for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250.00 crore by way of equitable additions every 6 months over the period of 3 years i.e. by September 30, 2021. Accordingly, the Company was required to have the Core SGF of ₹ 228.00 crore as on March 31, 2021, for which the Company, vide its letter dated March 15, 2021 to SEBI, sought an extension of time till September 30, 2021. SEBI granted an extension of time to increase the Core SGF till September 30, 2021.



Notes:

- 6 The exceptional item for the year ended March 31, 2021 ₹ 93.01 lakhs comprises of 'provision for doubtful debt' of ₹ 103.85 lakhs made with respect to GST on penalties recoverable from two defaulting members and ₹ 10.84 lakhs recovery of loss, from National Commodity and Derivatives Exchange Limited, incurred during the liquidation of member open position against total loss of ₹ 21.67 lakhs charged to statement of profit & loss as exceptional item during the year ended March 31, 2020. The exceptional item for the year ended March 31, 2020 of ₹ 668.07 lakhs includes provision of ₹ 646.40 lakhs (during the quarter ended March 31, 2020 ₹ 16.38 lakhs) made with respect to amounts recoverable from some members and an amount of ₹ 21.67 lakhs written off during the quarter ended March 31, 2020 representing loss incurred during liquidation of member open position which could not be attributed to the member.
- 7 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of the Company. The Company operates only in one Business Segment i.e. facilitating clearing & settlement in commodities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".
- 8 During the year, the Company invited its shareholders to subscribe to a right issue of 7,000,000 equity shares at an issue price of ₹ 10 per share, with such shares to be issued on and rank paripasu with the existing equity shares. The issue was subscribed for 5,750,000 equity shares and the said shares were allotted on September 30, 2020.
- 9 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 10 The COVID - 19 outbreak is an unprecedented global situation. The World Health Organisation has declared the same as a pandemic. During the financial year 2020-21, the COVID - 19 has partially impacted the business of the Company.

Based on the current indicators of future economic conditions and the impact of COVID – 19 on business, the Company has made an assessment of its liquidity position, recoverability and carrying values of its assets and ability to pay the liabilities as they become due and is of the view that, there is no adjustment required to be made in these financial results. The Company will continue to evaluate any significant changes having impact on its financial performance and financial position.

- 11 Figures for the previous period/year have been regrouped, rearranged and reclassified wherever necessary.

Place: Mumbai
Date: May 18, 2021

For National Commodity Clearing Limited

Rajiv Relhan
Managing Director & CEO
DIN - 07214524

