

Statement of Financial Results for the Quarter & Half year ended September 30, 2020

(₹ In lakhs)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		Sep 30, 2020 (Unaudited)	Jun 30, 2020 (Unaudited)	Sep 30, 2019 (Unaudited)	Sep 30, 2020 (Unaudited)	Sep 30, 2019 (Audited)	Mar 31, 2020 (Audited)
		1	2	3	4	5	6
<b>1</b>	<b>Income</b>						
(a)	Revenue from operations	274.46	229.12	535.47	503.58	1,113.74	1,842.93
(b)	Other Income	260.91	274.72	333.39	535.63	746.16	1,461.91
	<b>Total Income</b>	<b>535.37</b>	<b>503.84</b>	<b>868.86</b>	<b>1,039.21</b>	<b>1,859.90</b>	<b>3,304.84</b>
<b>2</b>	<b>Expenditure</b>						
(a)	Employee benefits expense	285.71	284.46	285.38	570.17	586.10	1,145.68
(b)	Technology expenses	158.72	150.89	171.19	309.61	355.60	655.61
(c)	Rent expenses	30.11	26.57	50.39	56.68	57.96	115.02
(d)	Finance Cost	-	-	(4.96)	-	-	-
(e)	Depreciation and Amortization expenses	23.59	21.79	(6.86)	45.38	21.68	50.24
(f)	Other expenses	80.09	74.08	107.37	154.17	200.15	472.70
	<b>Total expenses</b>	<b>578.22</b>	<b>557.79</b>	<b>602.51</b>	<b>1,136.01</b>	<b>1,221.49</b>	<b>2,439.25</b>
<b>3</b>	<b>Profit / (Loss) before exceptional items and tax (1-2)</b>	<b>(42.85)</b>	<b>(53.95)</b>	<b>266.35</b>	<b>(96.80)</b>	<b>638.41</b>	<b>865.59</b>
<b>4</b>	Exceptional Items (refer note no 5)	(10.84)	103.85	630.02	93.01	630.02	668.07
<b>5</b>	<b>Profit/ (loss) after exceptions items and before tax(3-4)</b>	<b>(32.01)</b>	<b>(157.80)</b>	<b>(363.67)</b>	<b>(189.81)</b>	<b>8.39</b>	<b>197.52</b>
<b>6</b>	<b>Tax expense</b>						
	Current tax	-	-	89.03	-	195.92	248.96
	Deferred tax	(8.91)	(43.91)	(181.33)	(52.82)	(181.36)	(174.20)
	<b>Total tax expense</b>	<b>(8.91)</b>	<b>(43.91)</b>	<b>(92.30)</b>	<b>(52.82)</b>	<b>14.56</b>	<b>74.76</b>
<b>7</b>	<b>Net Profit after tax (5-6)</b>	<b>(23.10)</b>	<b>(113.89)</b>	<b>(271.37)</b>	<b>(136.99)</b>	<b>(6.17)</b>	<b>122.76</b>
<b>8</b>	<b>Other Comprehensive Income (net of tax)</b>						
	<u>Items that will not be reclassified to profit or loss</u>						
	Remeasurements of post-employment benefit obligations	(6.45)	(8.25)	(14.07)	(14.70)	(18.61)	(19.86)
	Tax remeasurements of post-employment benefit obligations	1.79	2.30	3.92	4.09	5.18	5.53
	<b>Other Comprehensive Income / (Loss)</b>	<b>(4.66)</b>	<b>(5.95)</b>	<b>(10.15)</b>	<b>(10.61)</b>	<b>(13.43)</b>	<b>(14.33)</b>
<b>9</b>	<b>Total Comprehensive Income (7+8)</b>	<b>(27.76)</b>	<b>(119.84)</b>	<b>(281.52)</b>	<b>(147.60)</b>	<b>(19.60)</b>	<b>108.43</b>
<b>10</b>	<b>Paid-up equity share capital (Face value ₹ 10 per share)</b>	<b>12,125</b>	<b>11,550</b>	<b>11,550</b>	<b>12,125</b>	<b>11,550</b>	<b>11,550</b>
<b>11</b>	<b>Reserves (excluding Revaluation Reserve) #</b>						<b>2,534.94#</b>
<b>12</b>	<b>Earnings per share (Face value ₹ 10 per share)</b>						
	<b>Basic (₹)</b>	<b>(0.02)*</b>	<b>(0.10)*</b>	<b>(0.26)*</b>	<b>(0.12)*</b>	<b>(0.01)*</b>	<b>0.11</b>
	<b>Diluted (₹)</b>	<b>(0.02)*</b>	<b>(0.10)*</b>	<b>(0.26)*</b>	<b>(0.12)*</b>	<b>(0.01)*</b>	<b>0.11</b>
	<b>* Not Annualised</b>						

# Includes Company's own contribution towards Core SGF amounting to ₹ 11,356.50 lakhs and income earned thereon amounting to ₹ 1,187.36 lakhs aggregating to ₹ 12,543.86 lakhs



*[Handwritten Signature]*

**National Commodity Clearing Limited**  
**Statement of Assets and Liabilities**

(₹ In lakhs)

Particulars	As at September 30, 2020 (Unaudited)	As at March 31, 2020 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	78.47	71.29
Other intangible assets	218.00	176.02
Intangible assets under development	198.27	141.56
<b>Financial assets</b>		
- Other financial assets		
- Bank balances	2,728.31	1,224.57
- Others	1.30	8.99
Deferred tax assets (net)	254.04	197.14
Income tax assets	204.34	206.42
Other non-current assets	1.97	0.48
<b>Total non-current assets</b>	<b>3,684.70</b>	<b>2,026.47</b>
<b>Current Assets</b>		
Financial assets		
- Investment	1,996.12	-
- Trade receivables	1,975.43	2,072.03
- Cash and cash equivalents	4,075.68	4,283.54
- Bank balances other than cash and cash equivalents	28,359.55	32,113.13
- Others	2,427.93	3,011.21
Other current assets	75.75	70.60
<b>Total current assets</b>	<b>38,910.46</b>	<b>41,550.51</b>
<b>TOTAL ASSETS</b>	<b>42,595.16</b>	<b>43,576.98</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	12,125.00	11,550.00
Other equity	9,879.52	9,199.73
<b>Total Equity</b>	<b>22,004.52</b>	<b>20,749.73</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Provisions	101.07	75.64
<b>Total non-current liabilities</b>	<b>101.07</b>	<b>75.64</b>
<b>Current liabilities</b>		
Financial liabilities		
- Deposits	9,299.59	9,757.04
- Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	12.78	11.23
- Total outstanding dues of creditors other than micro enterprises and small enterprises	395.48	250.80
- Other Financial liabilities	10,456.54	12,554.78
Other current liabilities	152.13	55.18
Provisions	104.72	122.58
Current Tax Liabilities	68.33	-
<b>Total current liabilities</b>	<b>20,489.57</b>	<b>22,751.61</b>
<b>TOTAL LIABILITIES</b>	<b>20,590.64</b>	<b>22,827.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>42,595.16</b>	<b>43,576.98</b>


**National Commodity Clearing Limited**  
**Statement of Cash Flow for the period ended September 30, 2020**

( ₹ in lakhs)

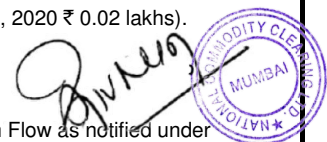
Particulars	For the period ended September 30, 2020 (Unaudited)	For the period ended September 30, 2019 (Audited)	For the year ended March 31, 2020 (Audited)
<b>A. Cash flow from operating activities</b>			
Profit before tax	(189.81)	8.39	197.52
<u>Adjustments for:</u>			
Depreciation & amortisation	45.38	21.68	50.24
Provision for doubtful debts (Exceptional items)	93.01	630.02	668.07
(Profit) / Loss on sale of investments	(36.35)	(83.64)	(155.41)
Interest income on Bank deposit	(497.93)	(651.76)	(1,271.42)
<b>Operating profit before working capital changes</b>	<b>(585.70)</b>	<b>(75.31)</b>	<b>(511.00)</b>
<b>Movements in working capital:</b>			
Decrease / (Increase) in trade receivables	3.59	(1,293.07)	(2,537.52)
Decrease / (Increase) in other current assets	(5.15)	(67.59)	(37.70)
Decrease / (Increase) in other non current assets	(0.28)	0.64	1.19
Decrease / (Increase) in other financial assets	0.39	(2.69)	(6.58)
Increase / (Decrease) in long term provision	25.43	43.32	48.29
Increase / (Decrease) in trade payables	146.23	13.81	13.94
Increase / (Decrease) in Short term provision	(32.54)	(33.63)	13.47
Increase / (Decrease) in financial liabilities	(2,602.90)	33,147.59	8,556.49
Increase / (Decrease) in other current liabilities	96.95	86.18	(16.08)
<b>Cash generated/(used) from operations</b>	<b>(2,953.98)</b>	<b>31,819.25</b>	<b>5,524.50</b>
Contribution to Core SGF	201.20	666.92	3,019.10
Interest on income tax refund of Core SGF	1.17	-	-
Direct taxes paid (net of refunds)	70.41	(178.74)	(389.39)
<b>Net cash generated/(used) in operating activities (A)</b>	<b>(2,681.20)</b>	<b>32,307.43</b>	<b>8,154.21</b>
<b>B. Cash flows from investing activities</b>			
Purchase of fixed assets, including intangible assets and CWIP	(105.15)	(101.94)	(262.85)
Purchase of current investments	(168,891.01)	(300,991.00)	(637,599.00)
Proceeds from sale of current investments	167,688.13	298,646.63	638,250.63
Interest received	956.53	1,179.15	2,393.06
Investment in fixed deposits (original maturity of more than three months)	(57,355.14)	(18,618.45)	(34,176.55)
Redemption/Maturity of fixed deposits (original maturity of more than three months)	59,604.98	13,876.28	25,309.52
<b>Net cash generated/(used) in investing activities (B)</b>	<b>1,898.34</b>	<b>(6,009.33)</b>	<b>(6,085.19)</b>
<b>C. Cash Flows from financing activities</b>			
Proceed of issue of equity shares	575.00	975.00	975.00
Share issue expenses	-	(20.00)	(20.98)
<b>Net cash generated/(used) from financing activities (C)</b>	<b>575.00</b>	<b>955.00</b>	<b>954.02</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(207.86)</b>	<b>27,253.10</b>	<b>3,023.04</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,283.54</b>	<b>1,260.50</b>	<b>1,260.50</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>4,075.68</b>	<b>28,513.60</b>	<b>4,283.54</b>
<b>Components of cash and cash equivalents</b>			
Cash and cheques on hand	-	-	-
With Banks			
- on current accounts *	539.68	26,488.60	102.54
- Funds in transit **	-	499.00	-
- on fixed deposits (Original maturity being three months or less) ***	3,536.00	1,526.00	4,181.00
<b>Total</b>	<b>4,075.68</b>	<b>28,513.60</b>	<b>4,283.54</b>

\* Includes current account balance for Core Settlement Guarantee Fund ₹ 2.65 lakhs (September 30, 2019 ₹ 2.54 lakhs, March 31, 2020 ₹ 0.02 lakhs).

\*\* Funds in transit for Core Settlement Guarantee Fund ₹ Nil (September 30, 2019: ₹ 499.00 lakhs, March 31, 2020 ₹ Nil).

\*\*\* Includes Fixed Deposit for Core Settlement Guarantee Fund ₹ Nil (September 30, 2019: ₹ 796.00 lakhs, March 31, 2020 ₹ Nil).

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.



**Notes:**

- The above financial results for the quarter and half year ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on November 04, 2020. The financial results for the quarter and half year ended September 30, 2020 have been reviewed by the Statutory Auditors of the Company.
- The figures for the quarter ended September 30, 2019 are the balancing figures between the audited figures in respect of half year ended September 30, 2019 and unaudited figures in respect of quarter ended June 30, 2019 which were subjected to limited review by Statutory Auditors.
- 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 September 30, 2020 are as under.

					(₹ In lakhs)
Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
<b>As on April 01, 2020</b>	3,326.10	12,543.86	3,338.69	-	<b>19,208.65</b>
Additional Contribution (a)	201.20	575.00	-	-	<b>776.20</b>
Interest on Income Tax refund	0.03	0.90	0.24	-	<b>1.17</b>
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)	112.54	405.31	107.17	-	<b>625.02</b>
<b>As on September 30, 2020</b>	<b>3,639.87</b>	<b>13,525.07</b>	<b>3,446.10</b>	-	<b>20,611.04</b>

Interest accrual of ₹ Nil (amount till March 31, 2020 is ₹ 93.45 Lakhs) on NCDEX cash contribution to core SGF (as stated in (b) above) is adjusted towards incremental requirement of Minimum Required Corpus (MRC) before taking additional contribution from NCDEX.

The above Core SGF amounting to ₹ 20,611.04 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'	3,426.03	11,813.70	2,030.16	-	<b>17,269.89</b>
Fixed deposits included under 'Non-current bank balances'	38.49	1,155.76	1,310.54	-	<b>2,504.79</b>
Accrued Interest on Fixed Deposits	163.02	483.08	81.30	-	<b>727.40</b>
TDS on Interest/Income	7.17	72.53	24.10	-	<b>103.80</b>
Balance with Bank	2.65	-	-	-	<b>2.65</b>
<b>Total</b>	<b>3,637.36</b>	<b>13,525.07</b>	<b>3,446.10</b>	-	<b>20,608.53</b>

\* Includes penalty levied for the month of September 2020 of ₹ 2.51 lakhs due and collected in October 2020.

Company's own contribution to Core SGF for the quarter ended September 30, 2020, June 30, 2020, September 30, 2019 amounting to ₹ 575.00 lakhs, ₹ Nil and ₹ 975.00 lakhs respectively and for half year ended September 30, 2020 and September 30, 2019 amounting to ₹ 575.00 lakhs and ₹ 975.00 lakhs respectively (for the year ended March 31, 2020 is ₹ 975.00 lakhs)



**Notes:**

- 5 Exceptional item of ₹ 10.84 lakhs for the quarter ended September 30, 2020 represents 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 quarter ended March 31, 2020. Exceptional Item for the quarter ended June 30, 2020 represents provision for doubtful debt of ₹ 103.85 lakhs with respect to GST on penalties recoverable from two defaulting members. This was paid out of Core SGF in financial year 2019-20, and has been transferred back to Core SGF in July 2020 along with interest, in compliance with SEBI letter dated July 10, 2020. The exceptional item for the year ended March 31, 2020 of ₹ 668.07 lakhs includes provision of ₹ 646.40 lakhs (₹ 630.02 lakhs in the quarter ended September 30, 2019) made by the company with respect to amounts recoverable from some members and an amount of ₹ 21.67 lakhs representing loss incurred during liquidation of member open position which could not be attributed to the member.
- 6 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".
- 7 The COVID - 19 outbreak is an unprecedented global situation. The World Health Organisation has declared the same as a pandemic. During the half year ended, 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.
- 8 During the quarter ended June 30, 2019, the lease transaction for premises was accounted as per the provisions of Ind AS 116 "Leases", as per which the Right to Use asset and corresponding liability for the lease period was recognised. Further, expenses were recognised as finance cost of ₹ 4.96 lakhs on lease liability and amortisation of ₹ 17.94 lakhs on Right to Use asset. However, subsequent to the June 30, 2019 financial results, Ind AS Technical Facilitation Group (ITFG) of Ind AS Implementation Committee has issued a clarification stating that Ind AS 116 is not applicable to short term leases, i.e. leases which do not give a right to purchase the leased assets or extend the lease beyond the non-cancellable period without the consent of the lessor. Accordingly, the Company has now reversed the effect of Ind AS 116 considered in quarter ended June 30, 2019.
- 9 During the quarter ended September 30, 2020, 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.
- 10 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record impact, if any, in the period the code becomes effective.
- 11 Figures for the previous period/year have been regrouped, rearranged and reclassified wherever necessary.

Place : Mumbai  
Date : November 04, 2020

For National Commodity Clearing Limited  
  
Rajiv Relhan  
Managing Director & CEO  
DIN - 07214524  
