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Independent Auditor's Report on annual audited consolidated financial results pursuant to the Regulation 33(1) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To The Board of Directors of
NSE Clearing Limited
Mumbai**

Report on the audit of the Consolidated Financial Results

Opinion

1. We have audited the Consolidated Financial Results of **NSE Clearing Limited** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2022, which are included in the accompanying Statement of Consolidated Financial Results for the quarter and year ended March 31, 2022, the statement of cash flow for the year ended March 31, 2022 and the statement of Assets and Liabilities on that date together with the notes thereon ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33(1) of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018, as amended (the "SECC Regulations"), read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015") and SEBI Circulars.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate audited financial statements of a subsidiary, the Statement:

- a. Includes the results of the following subsidiary;

Sr. No.	Name of the Entity	Relationship
1	NSE IFSC Clearing Corporation Limited (100%)	Subsidiary

- b. the Statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- c. the annual audited consolidated financial results for the year ended March 31, 2022 as set out in the Statement gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the consolidated net profit, consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2022.



Basis of Opinion

2. We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Interim Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Consolidated Financial Results

3. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled from the audited consolidated financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, 2015 and SECC Regulations.
4. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



Auditors' Responsibility for the Audit of the Consolidated Financial Results

5. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations and SECC Regulations.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial statements of the entity within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Company included in the Statement of which are the independent auditors. For the other entity included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried by them. We are solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

6. i) We did not audit the financial statements of a subsidiary included in the consolidated unaudited financial results, whose financial statements, before consolidation adjustments, reflect total assets of Rs. 75.53 crore and net assets of Rs. 45.51 crore as at March 31, 2022 and total revenues of Rs. 0.40 crore, net loss of Rs. 10.08 crore, total comprehensive loss of Rs. 8.59 crore for the year ended March 31, 2022, and net cash flows of Rs. 2.07 crore for the year ended March 31, 2022, as considered in the consolidated audited financial results. This financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 5 above.



- ii) The Statement includes the consolidated financial results for the quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
- iii) The Statement dealt with by this report has been prepared for the express purpose of complying with Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (the "SECC Regulations"), as amended, read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"). This Statement is based on and should be read with the audited consolidated financial statements of the Company for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated April 28, 2022.

Our opinion is not modified in respect of above matters.

For **Khandelwal Jain & Co.**
Chartered Accountants
Firm Registration No. 105049W

Narendra Jain

Narendra Jain
Partner
Membership No. 048725
UDIN: 22048725AIATBJ2889

Place: Mumbai
Date: April 28, 2022



STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Crore)

Sr. No.	PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Unaudited	Unaudited	Unaudited	Audited	Audited
1	Income					
	Revenue from Operations					
	a) Income from Operations	144.46	120.05	95.64	454.77	291.95
	b) Other Operating Revenues	53.87	64.90	54.65	221.99	209.79
	Other income	14.19	12.85	13.81	52.64	54.08
	Total Income	212.52	197.80	164.10	729.40	555.82
2	Expenditure					
	(a) Employee benefits expenses	14.76	9.13	9.15	43.44	36.61
	(b) Depreciation and amortisation expenses	8.25	6.98	5.10	25.70	15.25
	(c) Space & Infrastructure Usage Charges	7.94	6.06	8.21	25.93	27.30
	(d) Technology related Expenses	13.52	17.80	17.17	73.20	53.80
	(e) Other expenses	19.97	16.04	11.82	59.74	38.49
	Total Expenses	64.44	56.00	51.45	228.01	171.45
3	Profit before exceptional item (1-2)	148.08	141.80	112.65	501.39	384.37
4	Add/(Less) : Exceptional Item (refer note 6)					
	Reversal of Provision/(Provision) for Impairment of Intangible assets under development	-	-	(68.23)	68.23	(68.23)
	Settlement compensation	-	-	-	15.63	-
5	Profit before Tax (3- 4)	148.08	141.80	44.42	585.25	316.14
6	Less : Tax expenses					
	Current tax	38.87	34.27	31.82	131.67	115.84
	Tax for earlier year	0.01	-	-	0.01	-
	Deferred tax	(0.71)	1.29	1.85	3.11	(1.02)
	Total tax expenses	38.17	35.56	33.67	134.79	114.82
7	Profit for the period (5-6)	109.91	106.24	10.74	450.46	201.31
8	Other comprehensive Income (Net)					
	<i>Items that will be reclassified to profit or loss</i>					
	Changes in foreign currency translation reserve	0.93	0.06	0.35	1.51	(1.50)
	<i>Items that will not be reclassified to profit or loss</i>					
	Remeasurements of post-employment benefit obligations	0.33	0.21	0.40	0.13	(0.15)
	<i>Income tax relating to items that will not be reclassified to profit or loss</i>					
	Tax Remeasurements of post-employment benefit obligations	(0.08)	(0.05)	(0.09)	(0.04)	0.04
	Total Other Comprehensive Income for the year	1.18	0.22	0.66	1.60	(1.61)
9	Total comprehensive Income for the period (7+8)	111.09	106.46	11.40	452.06	199.70
10	Paid-up equity share capital (Face value Rs. 10 per share)	45.00	45.00	45.00	45.00	45.00
11	Reserves (excluding Revaluation Reserve)				1,030.34	623.27
12	Earnings per Share (EPS) (before contribution to Core SGF)					
	(a) Basic (Rs.)	24.42*	23.61*	2.39*	100.10	44.74
	(b) Diluted (Rs.)	24.42*	23.61*	2.39*	100.10	44.74
	* Not annualised					



STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in crores)

Sr. No.	Particulars	As at 31.03.2022	As at 31.03.2021
		Audited	Audited
I	ASSETS		
1	Non-current assets		
a	Property, Plant and Equipments	83.47	35.17
b	Right-Of-Use Assets	0.89	0.94
c	Capital work-on-progress	20.40	0.39
d	Other Intangible Assets	11.60	13.72
e	Intangible assets under development	10.92	1.76
f	Financial assets		
i	Non-current bank balances	155.82	138.20
ii	Other Financial assets	0.95	1.42
g	Income tax assets (net)	77.88	62.11
h	Other Non-current assets	0.00	0.00
		361.93	253.71
2	Investments -Core SGF	3,982.01	3,538.58
3	Investment earmarked towards SGF - Commodity derivatives	250.00	250.00
4	Current assets		
a	Financial Assets		
i	Investments	376.33	292.86
ii	Trade and other receivables	40.54	64.53
iii	Cash and Cash equivalents *	9,332.22	9,031.82
iv	Bank balances other than cash and cash equivalents *	1,057.57	528.58
	* Includes Rs.8563.11 crores (March 2021: Rs.8296.97 crores) pertaining to Settlement obligations and margin money from members		
v	Other Financial assets	69.55	74.11
b	Other current assets	22.76	15.16
		10,898.97	10,007.06
	TOTAL ASSETS	15,492.91	14,049.35
II	EQUITY AND LIABILITIES		
1	Equity		
a	Equity Share capital	45.00	45.00
b	Other Equity	1,030.34	623.27
		1,075.34	668.27
2	Core Settlement Guarantee Fund (Core SGF)	3,982.01	3,538.58
3	Settlement Guarantee Fund (SGF)- Commodity derivatives	250.00	250.00
4	Non-current liabilities		
a	Provisions	10.06	9.63
b	Lease Liability	1.06	1.05
c	Deferred tax liabilities (Net)	4.98	1.83
		16.10	12.51
5	Current liabilities		
a	Financial Liabilities		
i	Deposits (Unsecured)	1,226.76	923.06
ii	Trade payable	22.28	18.03
iii	Lease Liability	0.03	0.02
iv	Other financial liabilities *	8,603.95	8,345.09
	* Includes Rs.8563.11 crores (March 2021: Rs.8296.97 crores) pertaining to Settlement obligations and margin money from members		
b	Provisions	10.19	7.02
c	Income tax liabilities (net)	67.66	95.83
d	Other current liabilities	238.59	190.94
		10,169.46	9,579.99
	TOTAL EQUITY AND LIABILITIES	15,492.91	14,049.35



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in crores)

		For the year ended 31.03.2022	For the year ended 31.03.2021
		Audited	Audited
A)	CASHFLOW FROM OPERATING ACTIVITIES		
	NET PROFIT BEFORE TAX	585.25	316.14
	Add/(Less) :- Adjustments for :		
	Depreciation	25.70	15.25
	Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	(15.52)	(9.98)
	Finance Cost	0.09	0.07
	Reversal of Provision/(Provision) for Impairment of Intangible assets under development	(68.23)	68.23
	Settlement compensation	(15.63)	-
	Less : Adjustments for :		
	Interest income on Bank deposit	(37.23)	(40.84)
	Provision for doubtful debts	(6.42)	-
	Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	0.15	(1.38)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	468.16	347.50
	Adjustments for :		
	Decrease/(Increase) in Trade Receivable	30.41	(44.05)
	Increase / (Decrease) in Trade payables	4.19	4.48
	Decrease/(Increase) in other financial assets	(5.91)	(0.10)
	Decrease/(Increase) in Other Assets	(7.60)	1.41
	Increase / (Decrease) in Other Financial Liabilities	258.88	(392.08)
	Increase / (Decrease) in Provision	3.72	0.79
	Increase /(Decrease) in Other Liabilities	47.64	160.37
	Proceed of Deposit from Trading member / applicant	434.27	254.10
	Refund of deposit from trading members / applicant	(130.56)	(173.56)
	CASH GENERATED FROM OPERATIONS	1,103.20	158.86
	Contribution to Core SGF	-	(29.19)
	Settlement Guarantee Fund (SGF)- Commodity derivatives	-	-
	Direct Taxes paid (Net of Refunds)	(175.63)	(56.00)
	NET CASH FROM OPERATING ACTIVITIES - Total (A)	927.57	73.67
B)	CASHFLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment's/ Capital work-in-progress	(100.88)	(36.17)
	Interest received	48.17	34.97
	(Increase)/Decrease in Fixed deposit	(546.61)	(33.27)
	Settlement compensation	83.86	-
	Purchases of Investment	(68.11)	(167.11)
	Sale of Investment	-	176.26
	NET CASH USED IN INVESTING ACTIVITIES - Total (B)	(583.57)	(25.32)
C)	CASHFLOW FROM FINANCING ACTIVITIES		
	Dividend Paid (inclusive of corporate dividend tax)	(45.00)	(90.00)
	Payment of Lease Liability	(0.11)	-
	Share Issue Expense	-	(0.01)
	NET CASH FROM FINANCING ACTIVITIES - Total (C)	(45.11)	(90.01)
	Changes on account of conversion of balances from functional currency to presentation currency	1.51	(1.50)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	300.40	(43.16)
	CASH AND CASH EQUIVALENTS : OPENING BALANCE	9,031.82	9,074.98
	CLOSING CASH AND CASH EQUIVALENTS : CLOSING BALANCE	9,332.22	9,031.82
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT	300.40	(43.16)



Notes:

- 1 The above audited consolidated financial results for the year ended March 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on April 28, 2022.
- 2 The consolidated financial results represent the results of Business Operations of NSE Clearing Limited (Holding Company) and its subsidiary company NSE IFSC Clearing Corporation Limited (wholly owned Subsidiary Company).
- 3 The Holding Company has paid Dividend of Rs. 45 crores as approved by the Shareholders in the Annual General Meeting held on August 09, 2021.
- 4 The Board of Directors have recommended a dividend of 400% (Rs.40/- per equity shares of Rs.10/- each).
- 5 a) 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%), Stock Exchange (minimum 25%) and members (maximum 25%). Further SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF. Accordingly, total Core SGF as on Mar 31, 2022 is Rs. 3,971.25 crores (previous year Rs.3,528.30 crores).

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
NSE Clearing Ltd's contribution(NCL)	107.00	672.00	100.00	3.00	8.50	5.00	-	895.50
National Stock exchange of India Ltd's (NSE)' Contribution	54.00	336.00	48.00	1.00	8.50	2.50	327.51	777.51
Contribution by NSE on behalf of Member	53.00	336.00	50.00	-	-	2.50	-	441.50
BSE Limited's Contribution	4.36	0.05	12.58	-	-	-	-	16.99
Metropolitan Stock Exchange of India's Contribution	0.00	-	1.12	-	-	-	-	1.12
Penalty	196.37	956.80	42.59	-	-	0.12	-	1,195.89
Income on Investments	58.91	544.41	21.34	0.99	4.09	1.87	10.14	641.75
Others	1.00	-	-	-	-	-	-	1.00
Total	474.64	2,845.27	275.63	4.99	21.09	11.99	337.65	3,971.25

* NCL's own contribution to Core SGF for the quarter ended Mar 2022, Dec 2021 and Mar 2021 are Rs.NIL and for the year ended Mar 22 is Rs. NIL (For year ended March 2021 Rs. 28.20 Crores) have been appropriated out of profits.

- b) As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021 regulation 14 (1) Total Core SGF as on March 31, 2022 of Subsidiary NSE IFSC Clearing Corporation (NICCL) is Rs.10.76 crores (Previous year: Rs. 10.28 Crores) comprising of Rs.10.65 crores contributed by NICCL by appropriating reserves / profits and Fines & penalties collected by NICCL amounting to Rs.0.05 crores & an amount of Rs 0.06 crores being Income from investments of Core SGF funds have been credited to Core SGF. Further, NSE IFSC Clearing Corporation Limited contribution to its Core SGF for the quarter ended March 2022, DEC 2021 and March 2021 amounted to NIL and for year ended March 2021 amounting to Rs. NIL (for year ended March 31, 2021 is Rs.1.00 crores).
- c) The Holding Company had received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations w.e.f. October 12, 2018. As required by SEBI an amount of Rs.250 crores has been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the company has also earmarked investments amounting to Rs. 250 crores towards the same.
- 6 During the year ended March 31, 2022 contract pertaining to Holding Company for clearing and settlement system was terminated and an amount of Rs.83.86 crores was received towards the same. Accordingly, provision for impairment of intangible asset under development pertaining to the said contract made in year ended March 2021 amounting to Rs.68.23 crores has been reversed and the balance amount of Rs.15.63 crores is treated as settlement compensation. The same have been considered as exceptional items.
- 7 During the year, the holding company has given additional bank guarantee of Rs.2000 crores (previous year Rs.1000 crores) in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI. Total bank guarantee amount as on March 31, 2022 is Rs.3000 crores (previous year Rs.1000 crores).
- 8 On February 24, 2021 the Storage Area Network (SAN) system of the NCL was impacted due to certain issues in the links with telecom service providers, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system and clearing and settlement system of the NCL and other systems such as index and surveillance systems of National Stock Exchange of India (NSE) becoming unavailable leading to a decision to halt the Trading at NSE. The NCL had submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021 directed the Company to pay financial disincentive of Rs.25 lakhs for not restoring its operations within the Recovery Time Objective (RTO). The Company has paid the same on July 14, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021 to the Company and some of its employees alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019 and Regulation 12(6) read with Regulation 7(4)(g) of SECC Regulation 2018. In this regard, the NCL has taken necessary remedial actions and has also made necessary filing with SEBI, response for which is awaited. NCL is of the view that pending conclusion of this matter with SEBI, a reliable estimate of any obligations in respect of this matter cannot be presently made and therefore no provision/adjustment to this effect has been made in the financial results as of and for the quarter and year ended March 31, 2022.
- 9 The Holding Company encountered an incident on November 01, 2021, which resulted in delay in securities pay-out in the cash segment. Pursuant to SEBI circular SEBI/HO/MRD1/DTCS/CIR/P/2021/590 dated July 05, 2021 an amount of Rs.1 Crore has been transferred to the Core Settlement Guarantee Fund (Core SGF) of NCL towards financial disincentive on January 24, 2022 and the same is included in other expenses.
- 10 During the year ended March 31, 2022, SEBI issued a show cause notice to the NCL alleging non-compliance with certain paragraphs of SEBI circular dated December 17, 2018 for failure to share alerts with other exchange post interoperability. In this regard the NCL has filed necessary response with SEBI. Pending conclusion of this matter with SEBI, The NCL is of the view that a reliable estimate of any obligations in respect of this matter cannot be presently made and therefore no provision /adjustment to this effect has been made in the financial results as of and for the quarter and year ended March 31, 2022.
- 11 As per section 115BAA of the Income Tax Act, 1961, existing domestic companies can exercise the option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The reduced tax rates come with the consequential surrender of specified deductions/incentives. Once exercised, such an option cannot be withdrawn for the same or subsequent Assessment Years. The provision for current and deferred taxes w.e.f. 01.04.2021 have been recognised on the basis of the Company availing such option to pay income tax at lower rate as per section 115BAA. Accordingly, tax expenses for the quarter ended Mar 31, 2022, quarter ended Dec 31, 2021 and year ended Mar 2022 include tax credit of Rs.15.00 crores, Rs.13.51 Crores and Rs.51.64 crores respectively resulting from remeasurement of current tax provision and deferred tax balances by applying such reduced tax rate.
- 12 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Holding 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 Holding Company. The Group operates only in one Business Segment i.e. facilitating Clearing & Settlement in securities and the activities incidental thereto, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".
- 13 The Coronavirus (COVID-19) outbreak is an unprecedented global situation, declared as a 'pandemic' by World Health Organisation. Based on the Group's current assessment, the impact of COVID-19 on its operations and the resultant financial performance is not likely to be significant. The Group has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial results. The impact assessment of COVID-19 may be different from that presently estimated and the Group will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.
- 14 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Group 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.
- 15 The figures for quarter ended March 2022 and March 2021 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 years.
- 16 Figures for Previous period / years are regrouped, reclassified and rearranged wherever necessary.

For and on behalf of Board of Directors

NSE CLEARING LIMITED


VIKRAM KOTHARI
Managing Director
[DIN :07898773]



Place : Mumbai
Date : April 28, 2022