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Independent Auditor's Review Report on quarterly standalone unaudited 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

**Review Report to
The Board of Directors
NSE Clearing Limited**

1. Introduction

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **NSE Clearing Limited** (the "Company") for the quarter ended June 30, 2023 together with the related notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018 (the "SECC Regulations"), as amended from time to time, read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), as amended from time to time and SEBI Circulars.

This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.

2. Scope of review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



3. Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SECC Regulation read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and relevant circulars issued thereunder including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Other Matter

The Statement includes the standalone unaudited financial results for the quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year ended March 31, 2023 and the year to date unaudited figures upto the third quarter ended December 31, 2022 which were subjected to review by us.

Our conclusion on the Statement is not modified in respect of the above matter.



For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration No. 105049W

Narendra Jain
Narendra Jain

Partner

Membership No. 048725

UDIN: 23048725BGYVRF3684

Place: Mumbai

Date: July 21, 2023



NSE Clearing Limited

CIN: U67120MH1995PLC092283

Regd. Off.: "EXCHANGE PLAZA", Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs. in crores)

Sr. No.	PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Audited
1	Income				
	Revenue from operations				
	a) Income from Operations	194.75	184.34	139.76	633.97
	b) Other Operating Revenues	60.47	58.60	56.36	281.92
	Other income	32.10	30.04	17.42	98.77
	Total Income	287.32	272.98	213.54	1,014.66
2	Expenditure				
	(a) Employee benefits expenses	14.62	11.12	10.61	39.53
	(b) Depreciation and amortisation expenses	11.11	12.97	8.91	40.72
	(c) Space & Infrastructure Usage Charges	6.19	6.05	6.50	25.07
	(d) Technology related Expenses	33.18	39.19	17.93	104.51
	(e) Other expenses	17.33	20.95	17.16	73.46
	Total Expenses	82.43	90.28	61.11	283.29
3	Profit before exceptional item (1-2)	204.89	182.70	152.43	731.37
4	Add/(Less) : Exceptional Item				
	Settlement amount - SEBI (refer note 4)	(22.88)	-	-	-
5	Profit before Tax (3-4)	182.01	182.70	152.43	731.37
6	Less : Tax expenses				
	Current tax	52.58	46.47	38.17	182.78
	Deferred tax	(1.86)	2.92	0.44	3.32
	Total tax expenses	50.72	49.39	38.61	186.11
7	Profit for the period (5-6)	131.29	133.31	113.82	545.26
8	Other comprehensive Income (Net)				
	<i>Items that will not be reclassified to profit or loss</i>				
	Remeasurements of post-employment benefit obligations	(1.20)	(0.02)	(0.28)	(0.24)
	<i>Income tax relating to items that will not be reclassified to profit or loss</i>				
	Tax Remeasurements of post-employment benefit obligations	0.30	-	0.07	0.06
	Total Other Comprehensive Income for the period	(0.90)	(0.02)	(0.21)	(0.18)
9	Total comprehensive Income for the period (7+8)	130.39	133.29	113.61	545.08
10	Paid-up equity share capital (Face value Rs. 10 per share)	45.00	45.00	45.00	45.00
11	Reserves (excluding Revaluation Reserve)				1,239.44
12	Earnings per Share (EPS) (before contribution to Core SGF)				
	(a) Basic (Rs.)	29.18*	29.62*	25.29*	121.17
	(b) Diluted (Rs.)	29.18*	29.62*	25.29*	121.17
	* Not annualised				



Notes:

- The above unaudited standalone financial results for the quarter ended June 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 21, 2023.
- a) Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interalia, 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 June 30, 2023 is Rs. 5,197.37 crores (as on March 31, 2023: Rs.4,797.23 crores).

Details of Core SGF as on June 30, 2023 is as follows:

	(Rs. in crores)						
	CM	FO	CD	Debt	TRI Party	Commodity	Other
NSE Clearing Ltd's contribution(NCL)	174.00	1,212.00	122.00	3.00	8.50	5.00	-
National Stock exchange of India Ltd 's (NSE)' Contribution	87.00	606.00	48.00	1.00	8.50	2.50	200.20
Contribution by NSE on behalf of Members	87.00	606.00	61.00	-	-	2.50	-
BSE Limited 's Contribution	7.56	0.05	16.32	-	-	-	-
Metropolitan Stock Exchange of India 's Contribution	0.00	-	1.35	-	-	-	-
Penalty	276.20	1,221.79	52.23	-	-	0.17	-
Income on Investments	56.96	290.35	28.36	1.04	5.70	2.48	1.59
Others	1.00	-	-	-	-	-	-
Total	689.73	3,936.19	329.26	5.04	22.70	12.65	201.80

- NCL's own contribution to Core SGF appropriated out of profits during the quarter ended June 2023 Rs. 41 crores, March 2023 Rs. 210.35 crores and June 2022 Rs.NIL (For year ended March 2023 Rs. 267.89 crores)
 - The 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.
 - During the quarter, an amount of Rs.199.45 crores has been received from NSE to further augment the Core SGF. The same has been included under 'Other' above.
- Total bank guarantee provided by NCL in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI as on June 30, 2023 Rs.5,500 crores, March 31, 2023 Rs.4,000 crores and June 30, 2022 Rs.4,000 crores.
 - On February 24, 2021 the Storage Area Network (SAN) system of the Company 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 Company 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 Company 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. 0.25 crores for not restoring its operations within the Recovery Time Objective (RTO). The Company paid the same on July 14, 2021. Further, in this regard, SEBI had 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 for which detail response is filed. In this regard, the Company has taken necessary remedial actions and also filed consent application with SEBI on September 03, 2021, against this, preliminary hearing on maintainability of the said consent application had taken place and the Company had also filed revised settlement terms on March 19, 2023. SEBI accepted the revised terms for settlement of the same on payment of Rs.22.88 crores. The company paid the settlement amount of Rs.22.88 crores in June 2023 and SEBI disposed of the proceedings of the show cause vide settlement order dated June 20, 2023. The same is disclosed as exceptional item in the financial results for the quarter ended June 2023.
 - 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 securities and the activities incidental thereto, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".
 - The figures for quarter ended March 31, 2023 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 financial year which were subjected to review by Statutory Auditors.
 - Figures for Previous period / year are regrouped, reclassified and rearranged wherever necessary.

For and on behalf of Board of Directors
NSE CLEARING LIMITED


Managing Director
[DIN :07898773]

Place : Mumbai
Date : July 21, 2023