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Independent Auditor's Review Report on quarterly and year to date 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 and half year ended September 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 of unaudited financial results 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.

For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration No. 105049W



Narendra Jain

Narendra Jain

Partner

Membership No. 048725

UDIN: 23048725BGYVSS8359

Place: Mumbai

Date: October 21, 2023

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

Sr. No.	PARTICULARS	(Rs. in crores)					
		Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations						
	a) Income from Operations	297.67	194.75	156.62	492.42	296.39	633.97
	b) Other Operating Revenue	154.87	60.47	76.72	215.34	133.08	281.92
	Other income	37.20	32.10	22.28	69.30	39.70	98.77
	Total Income	489.74	287.32	255.62	777.06	469.17	1,014.66
2	Expenditure						
	(a) Employee benefits expenses	14.83	14.62	9.54	29.45	20.15	39.53
	(b) Depreciation and amortisation expenses	10.93	11.11	9.35	22.04	18.26	40.72
	(c) Space & Infrastructure Usage Charges	5.84	6.19	6.40	12.03	12.90	25.07
	(d) Technology related Expenses	35.33	33.18	27.12	68.51	45.05	104.51
	(e) Other expenses	23.03	17.33	17.20	40.36	34.35	73.46
	Total Expenses	89.96	82.43	69.61	172.39	130.71	283.29
3	Profit before exceptional item (1-2)	399.78	204.89	186.01	604.67	338.46	731.37
4	Add/(Less) : Exceptional Item						
	Settlement amount - SEBI (refer note 5)	-	(22.88)	-	(22.88)	-	-
5	Profit before Tax (3-4)	399.78	182.01	186.01	581.79	338.46	731.37
6	Less : Tax expenses						
	Current tax	97.58	52.58	47.09	150.16	85.26	182.78
	Deferred tax	3.59	(1.86)	1.60	1.73	2.04	3.32
	Total tax expenses	101.17	50.72	48.69	151.89	87.30	186.11
7	Profit for the period (5-6)	298.61	131.29	137.32	429.90	251.16	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	0.49	(1.20)	(0.05)	(0.71)	(0.33)	(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	(0.12)	0.30	0.01	0.18	0.08	0.06
	Total Other Comprehensive Income for the period	0.37	(0.90)	(0.04)	(0.53)	(0.25)	(0.18)
9	Total comprehensive Income for the period (7+8)	298.98	130.39	137.28	429.37	250.91	545.08
10	Paid-up equity share capital (Face value Rs. 10 per share)	45.00	45.00	45.00	45.00	45.00	45.00
11	Reserves (excluding Revaluation Reserve)						1239.44
12	Earnings per Share (EPS) (before contribution to Core SGF)						
	(a) Basic (Rs.)	66.36*	29.18*	30.52*	95.53*	55.81*	121.17
	(b) Diluted (Rs.)	66.36*	29.18*	30.52*	95.53*	55.81*	121.17
	* Not annualised						



(Rs. in crores)

STATEMENT OF STANDALONE ASSETS AND LIABILITIES			
Sr. No.	Particulars	As at 30.09.2023	As at 31.03.2023
		Unaudited	Audited
I	ASSETS		
1	Non-current assets		
a	Property, Plant and Equipments	95.85	88.73
b	Capital work-on-progress	0.53	1.80
c	Other Intangible Assets	14.64	18.20
d	Intangible assets under development	0.32	0.32
e	Financial assets		
i	Investments	250.00	90.00
ii	Non-current bank balances	1,300.81	506.23
iii	Other Financial assets	35.90	5.85
f	Income tax assets (net)	163.60	162.84
g	Other Non -current assets	12.38	15.19
		1,874.03	889.16
2	Investments -Core SGF	5,941.18	4,797.23
3	Investment earmarked towards SGF - Commodity derivatives	250.00	250.00
4	Current assets		
a	Financial Assets		
i	Investments	532.74	545.07
ii	Trade and other receivables	119.03	62.73
iii	Cash and Cash equivalents *	24,602.64	5,158.62
iv	Bank balances other than cash and cash equivalents *	241.65	750.74
	* Includes Rs.23,524.30 crores (March 2023: Rs.4,050.04 crores) pertaining to Settlement obligations and margin money from members.		
v	Other Financial assets	134.55	73.52
b	Other current assets	47.13	35.89
		25,677.74	6,626.58
	TOTAL ASSETS	33,742.95	12,562.97
II	EQUITY AND LIABILITIES		
1	Equity		
a	Equity Share capital	45.00	45.00
b	Other Equity	1,615.63	1,239.44
		1,660.63	1,284.44
2	Core Settlement Guarantee Fund (Core SGF)	5,941.18	4,797.23
3	Settlement Guarantee Fund (SGF)- Commodity derivatives	250.00	250.00
4	Non-current liabilities		
a	Provisions	16.06	14.47
b	Deferred tax liabilities (Net)	9.79	8.24
		25.85	22.71
5	Current liabilities		
a	Financial Liabilities		
i	Deposits (Unsecured)	1,847.89	1,776.14
ii	Trade payable	39.30	29.96
iii	Other financial liabilities *	23,601.31	4,095.31
	* Includes Rs.23,524.30 crores (March 2023: Rs.4,050.04 crores) pertaining to Settlement obligations and margin money from members.		
b	Provisions	8.84	9.73
c	Income tax liabilities (net)	73.60	73.59
d	Other current liabilities	294.35	223.86
		25,865.29	6,208.59
	TOTAL EQUITY AND LIABILITIES	33,742.95	12,562.97



STANDALONE STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED SEPTEMBER 30, 2023

(Rs. in crores)

		For the half year ended 30.09.2023 (Unaudited)	For the half year ended 30.09.2022 (Unaudited)	For the year ended 31.03.2023 (Audited)
A)	CASHFLOW FROM OPERATING ACTIVITIES			
	NET PROFIT BEFORE TAX	581.79	338.46	731.37
	Add/(Less) :- Adjustments for :			
	Depreciation	22.04	18.26	40.72
	Net gain on financial assets mandatorily measured at Fair Value through Profit or Loss	(21.29)	(8.37)	(27.79)
	Less : Adjustments for :			
	Interest income on Bank deposit	(46.84)	(29.05)	(63.23)
	Provision for doubtful debts	-	-	0.06
	Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	(1.17)	(2.28)	(2.28)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	534.53	317.01	678.85
	Adjustments for :			
	Decrease/(Increase) in Trade Receivable	(56.31)	(26.11)	(16.04)
	Increase / (Decrease) in Trade payables	9.34	7.28	9.13
	Decrease/(Increase) in other financial assets	0.07	(0.14)	0.20
	Decrease/(Increase) in Other Assets	(8.42)	3.68	(28.75)
	Increase / (Decrease) in Other Financial Liabilities	19,492.82	6,505.35	(4,501.55)
	Increase / (Decrease) in Provision	(0.02)	(0.64)	4.12
	Increase /(Decrease) in Other Liabilities	70.49	12.49	(14.24)
	Proceed of Deposit from Trading member / applicant	135.42	385.22	716.93
	Refund of deposit from trading members / applicant	(63.64)	(57.58)	(160.73)
	CASH GENERATED FROM OPERATIONS	20,114.28	7,146.56	(3,312.08)
	Contribution to Core SGF	(41.00)	(13.89)	(267.89)
	Direct Taxes paid (Net of Refunds)	(140.59)	(62.84)	(194.64)
	NET CASH FROM OPERATING ACTIVITIES - Total (A)	19,932.69	7,069.83	(3,774.61)
B)	CASHFLOW FROM INVESTING ACTIVITIES			
	Investment in Equity Share Capital of Subsidiary	(160.00)	-	-
	Purchase of Property, Plant and Equipment's/ Capital work-in-progress	(11.16)	(17.58)	(29.77)
	Interest received	(44.31)	(5.60)	48.14
	(Increase)/Decrease in Fixed deposit	(285.49)	41.77	(86.79)
	Purchases of Investment	34.79	(50.34)	(138.67)
	NET CASH USED IN INVESTING ACTIVITIES - Total (B)	(466.17)	(31.75)	(207.09)
C)	CASHFLOW FROM FINANCING ACTIVITIES			
	Dividend Paid (inclusive of corporate dividend tax)	(22.50)	(180.00)	(180.00)
	NET CASH FROM FINANCING ACTIVITIES - Total (C)	(22.50)	(180.00)	(180.00)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	19,444.02	6,858.08	(4,161.72)
	CASH AND CASH EQUIVALENTS : OPENING BALANCE*	5,158.62	9,320.34	9,320.34
	CASH AND CASH EQUIVALENTS : CLOSING BALANCE*	24,602.64	16,178.41	5,158.62
	* Includes Rs.23,524.30 crores (March 2023: Rs.4,050.04 crores) pertaining to Settlement obligations and margin money from members.			
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENT	19,444.02	6,858.08	(4,161.72)

Notes to Cash Flow Statement :

1. Cash and Cash equivalent represent bank balances and balances in fixed deposit accounts.
2. 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 notified under Companies (Indian Accounting Standards) Rules, 2015
3. The above Cash Flow excludes cash flow pertaining to Core SGF.
4. Previous period/year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure.



Notes:

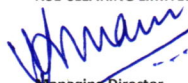
- The above unaudited standalone financial results for the quarter and half year ended September 30, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on October 21, 2023. The financial results for the quarter and half year ended September 30, 2023 are reviewed by the statutory auditors of the company.
- The Company in its annual general meeting held on August 17, 2023 has approved the payment of Dividend for the financial year ended March 31, 2023 of Rs. 5/- per equity share of Rs. 10/- each which was proposed by Board of Directors on May 10, 2023 and same was paid on August 17, 2023.
- 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 September 30, 2023 is Rs. 5,941.18 crores (as on March 31, 2023: Rs.4,797.23 crores).

Details of Core SGF as on September 30, 2023 is as follows:**(Rs. in crores)**

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
NSE Clearing Ltd's contribution(NCL)	174.00	1,212.00	122.00	3.00	8.50	5.00	-	1,524.50
National Stock exchange of India Ltd 's (NSE)' Contribution	87.00	606.00	48.00	1.00	8.50	2.50	772.80	1,525.80
Contribution by NSE on behalf of Members	87.00	606.00	61.00	-	-	2.50	-	756.50
BSE Limited 's Contribution	7.56	2.29	16.32	-	-	-	-	26.17
Metropolitan Stock Exchange of India 's Contribution	0.00	-	1.35	-	-	-	-	1.35
Penalty	299.87	1,282.78	54.14	-	-	0.25	-	1,637.04
Income on Investments	67.64	346.90	31.63	1.06	6.04	2.70	12.86	468.83
Others	1.00	-	-	-	-	-	-	1.00
Total	724.08	4,055.97	334.43	5.06	23.04	12.94	785.66	5,941.18

- NCL's own contribution to Core SGF appropriated out of profits during the quarter ended September 2023 Rs. NIL, June 2023 Rs. 41 crores and September 2022 Rs. 13.89 crores (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 half year ended September 2023, an amount of Rs.774.13 crores has been received from NSE to further augment the Core SGF out of which an amount of Rs. 2.07 crores has been utilised towards Core SGF requirement of NCL/ICCL. The balance amount of Rs. 772.06 crores 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 September 30, 2023 Rs.8,000 crores (September 30, 2022 Rs.3,750 crores, March 31, 2023 Rs.4,000 crores and June 30, 2023 Rs. 5,500 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 and half year ended September 2023.
- During the Quarter ended September 30, 2023, the provisions of SEBI circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/84 dated June 8, 2023 pertaining to upstreaming of client funds to Clearing Corporations came into effect, resulting in increase in Margin money from members with the company and increase in other operating revenue.
- 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".
- Figures for previous period / year's 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 : October 21, 2023