

6-B&C, Pil Court, 6th Floor,  
111, M. Karve Road, Churchgate,  
Mumbai - 400 020.  
Tel.: (+91-22) 4311 5000  
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,  
117, M. Karve Road, Churchgate,  
Mumbai - 400 020.  
Tel.: (+91-22) 4311 6000  
Fax : 4311 6060

**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 nine months ended December 31, 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.



**Place:** Gandhinagar  
**Date:** January 20, 2024

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

**NARENDRAKUMAR**  
**RAJKUMAR JAIN**  
Digitally signed by  
NARENDRAKUMAR RAJKUMAR JAIN  
Date: 2024.01.20 16:57:53 +05'30'

**Narendra Jain**  
**Partner**  
**Membership No. 048725**  
**UDIN: 24048725BKEZBG9513**



# 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 STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in crores)

Sr. No.	PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Nine months ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>						
	Revenue from operations						
	a) Income from Operations	344.81	297.67	153.25	837.23	449.63	633.97
	b) Other Operating Revenue	203.15	154.87	90.23	418.49	223.32	281.92
	Other income	44.97	37.20	29.04	114.27	68.73	98.77
	<b>Total Income</b>	<b>592.93</b>	<b>489.74</b>	<b>272.52</b>	<b>1,369.99</b>	<b>741.68</b>	<b>1,014.66</b>
2	<b>Expenditure</b>						
	(a) Employee benefits expenses	15.25	14.83	8.26	44.70	28.41	39.53
	(b) Depreciation and amortisation expenses	11.82	10.93	9.48	33.86	27.75	40.72
	(c) Space & Infrastructure Usage Charges	5.90	5.84	6.13	17.93	19.02	25.07
	(d) Technology related Expenses	39.60	35.33	20.27	108.11	65.32	104.51
	(e) Other expenses	26.70	23.03	18.16	67.06	52.51	73.46
	<b>Total Expenses</b>	<b>99.27</b>	<b>89.96</b>	<b>62.30</b>	<b>271.66</b>	<b>193.01</b>	<b>283.29</b>
3	<b>Profit before exceptional item (1-2)</b>	<b>493.66</b>	<b>399.78</b>	<b>210.22</b>	<b>1,098.33</b>	<b>548.67</b>	<b>731.37</b>
4	Add/(Less) : Exceptional Item						
	Settlement amount - SEBI (refer note 4)	-	-	-	(22.88)	-	-
5	<b>Profit before Tax (3-4)</b>	<b>493.66</b>	<b>399.78</b>	<b>210.22</b>	<b>1,075.45</b>	<b>548.67</b>	<b>731.37</b>
6	Less : Tax expenses						
	Current tax	122.79	97.58	51.05	272.95	136.31	182.78
	Deferred tax	1.94	3.59	(1.65)	3.67	0.40	3.32
	<b>Total tax expenses</b>	<b>124.73</b>	<b>101.17</b>	<b>49.40</b>	<b>276.62</b>	<b>136.71</b>	<b>186.11</b>
7	<b>Profit for the period (5-6)</b>	<b>368.93</b>	<b>298.61</b>	<b>160.82</b>	<b>798.83</b>	<b>411.96</b>	<b>545.26</b>
8	<b>Other comprehensive Income (Net )</b>						
	<i>Items that will not be reclassified to profit or loss</i>						
	Remeasurements of post-employment benefit obligations	(0.23)	0.49	0.11	(0.94)	(0.22)	(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	0.06	(0.12)	(0.03)	0.24	0.06	0.06
	<b>Total Other Comprehensive Income for the period</b>	<b>(0.17)</b>	<b>0.37</b>	<b>0.08</b>	<b>(0.70)</b>	<b>(0.16)</b>	<b>(0.18)</b>
9	<b>Total comprehensive Income for the period (7+8)</b>	<b>368.76</b>	<b>298.98</b>	<b>160.90</b>	<b>798.13</b>	<b>411.80</b>	<b>545.08</b>
10	<b>Paid-up equity share capital (Face value Rs. 10 per share)</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
11	Reserves (excluding Revaluation Reserve)						1239.44
12	Earnings per Share (EPS) ( before contribution to Core SGF )						
	(a) Basic (Rs.)	81.98*	66.36*	35.74*	177.52*	91.55*	121.17
	(b) Diluted (Rs.)	81.98*	66.36*	35.74*	177.52*	91.55*	121.17
	* Not annualised						

**Notes:**

- The above standalone unaudited financial results for the quarter and nine months ended December 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on January 20, 2024. The financial results for the quarter and nine months ended December 31, 2023 are reviewed by the statutory auditors of the company.
- 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 December 31, 2023 is Rs. 6,636.76 crores (as on March 31, 2023: Rs.4,797.23 crores).

**Details of Core SGF as on December 31, 2023 is as follows:**

	CM	FO	CD	Debt	TRI Party	Commodity	Other	(Rs. in crores) 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	1,290.64	2,043.64
Contribution by NSE on behalf of Members	87.00	606.00	61.00	-	-	2.50	-	756.50
BSE Limited's Contribution	7.56	8.62	16.32	-	-	-	-	32.50
Metropolitan Stock Exchange of India's Contribution	0.00	-	1.97	-	-	-	-	1.97
Penalty	315.08	1,338.27	55.49	-	-	0.25	-	1,709.08
Income on Investments	78.80	415.47	37.10	1.08	6.38	2.91	25.81	567.56
Others	1.00	-	-	-	-	-	-	1.00
<b>Total</b>	<b>750.45</b>	<b>4,186.36</b>	<b>341.88</b>	<b>5.08</b>	<b>23.38</b>	<b>13.16</b>	<b>1,316.46</b>	<b>6,636.76</b>

- NCL's own contribution to Core SGF appropriated out of profits for the nine months ended December 2023 Rs. 41 crores and nine months ended December 2022 Rs. 57.54 crores (during the quarter ended December 2022 Rs. 43.65 crores, for year ended March 2023 Rs. 267.89 crores).
  - b) 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.
  - c) During the nine months ended December 2023, an amount of Rs.1,330.17 crores has been received from NSE to further augment the Core SGF out of which an amount of Rs. 40.28 crores has been utilised towards Core SGF requirement of NCL/ICCL. The balance amount of Rs. 1,289.89 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 December 31, 2023 Rs.8,000 crores (December 31, 2022 Rs.4,000 crores, September 30, 2023 Rs. 8,000 crores and March 31, 2023 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 an employee 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 nine months ended December 31, 2023.
  - During the quarter ended December 31, 2023, SEBI issued a show cause notice to the Company alleging non-compliance with certain regulations of SECC 2018 and certain paragraphs of SEBI circular dated November 27, 2018 regarding Inter-CCP collateral under interoperability among clearing corporation framework. In this regard, the Company has taken necessary remedial actions and is in the process of filing necessary response with SEBI. The Company 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 nine months ended December 31, 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**

Sd/-

**VIKRAM KOTHARI**  
Managing Director  
[ DIN :07898773 ]

Place : **Gandhinagar**  
Date : **January 20, 2024**