

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on quarterly year to date consolidated 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**

Introduction

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **NSE Clearing Limited** (the "Parent Company") and its subsidiary (the Parent Company and its subsidiary together referred to as "the Group"), for the quarter and nine months ended December 31, 2024 together with the related notes thereon ("the Statement"), being submitted by the Parent Company pursuant to the requirement of 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.
2. This Statement is the responsibility of the Parent Company's Management and approved by the Parent 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. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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.



4. The Statement includes the results of the following entity:

Sr. No.	Name of the Entity	Relationship
1	NSE Clearing Limited	Parent
2	NSE IFSC Clearing Corporation Limited	Subsidiary

Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the report of the other auditors referred to in paragraph 6 below, 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 accounting principles generally accepted in India, 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.

Other Matter

6. We did not review the unaudited financial results of a subsidiary included in the consolidated unaudited financial results, whose financial results, before consolidation adjustments, reflect total income of Rs. 6.34 crore and Rs. 20.71 crore, total net loss after tax of Rs. 1.29 crore and Rs. 3.61 crore and total comprehensive Income/(loss) of Rs. 1.16 crore and Rs. (0.43) crore for the quarter and nine months ended December 31, 2024, respectively, as considered in the consolidated unaudited financial results. These unaudited financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion 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 3 above.

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

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

P Jain

Pankaj Jain
Partner

Membership No. 048850

UDIN: 25048850BMMOMGP7385



Place: Mumbai
Date: January 22, 2025

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2024

Sr. No.	PARTICULARS	(Rs. in crores)					
		Quarter ended	Quarter ended	Quarter ended	Nine months ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from Operations						
	a) Income from Operations	429.53	520.07	348.19	1,391.16	843.96	1,262.60
	b) Other Operating Revenue	211.35	245.88	203.34	713.48	419.03	755.61
	Other income	62.33	69.99	47.16	194.23	117.19	170.70
	Total Income	703.21	835.94	598.69	2,298.87	1,380.18	2,188.91
2	Expenditure						
	(a) Employee benefits expenses	27.92	33.31	16.93	84.05	48.43	66.88
	(b) Depreciation and amortisation expenses	15.37	14.95	13.01	43.61	37.18	49.32
	(c) Space & Infrastructure Usage Charges	7.63	8.58	5.90	25.30	17.93	27.04
	(d) Technology related Expenses	55.56	59.20	40.88	156.15	113.10	150.88
	(e) Other expenses	26.28	28.36	28.01	84.71	72.10	116.26
	Total Expenses	132.76	144.40	104.73	393.81	288.74	410.38
3	Profit before exceptional item (1-2)	570.45	691.54	493.96	1,905.06	1,091.44	1,778.53
4	Add/(Less): Exceptional Item						
	Settlement amount - SEBI (refer note 7 & 8)	-	(27.13)	-	(27.13)	(22.88)	(22.88)
5	Profit before Tax (3-4)	570.45	664.41	493.96	1,877.93	1,068.56	1,755.65
6	Less: Tax expenses						
	Current tax	163.77	176.00	122.79	500.77	272.95	445.00
	Deferred tax	(5.29)	(11.48)	1.94	(15.15)	3.67	4.74
	Total tax expenses	158.48	164.52	124.73	485.62	276.62	449.74
7	Profit for the period (5-6)	411.97	499.89	369.23	1,392.31	791.94	1,305.91
8	Other comprehensive Income (Net)						
	<i>Items that will be reclassified to profit or loss</i>						
	Changes in foreign currency translation reserve	2.41	0.63	0.13	3.20	0.22	0.72
	<i>Items that will not be reclassified to profit or loss</i>						
	Remeasurements of post-employment benefit obligations	-0.06	(0.04)	(0.26)	(1.57)	(1.00)	(1.10)
	<i>Income tax relating to items that will not be reclassified to profit or loss</i>						
	Tax Remeasurements of post-employment benefit obligations	0.02	0.02	0.06	0.39	0.24	0.25
	Total Other Comprehensive Income for the period	2.37	0.61	(0.07)	2.02	(0.54)	(0.13)
9	Total comprehensive Income for the period (7+8)	414.34	500.50	369.16	1,394.33	791.40	1,305.78
10	Paid-up equity share capital (Face value Rs. 10 per share)	1,445.00	1,445.00	45.00	1,445.00	45.00	1,445.00
11	Reserves (excluding Revaluation Reserve)						1,612.65
12	Earnings per Share (EPS) (before contribution to Core SGF) (refer note 11)						
	(a) Basic (Rs.) (FV Rs.10 each)	2.85*	3.46*	3.84*	9.64*	8.24*	13.50
	(b) Diluted (Rs.) (FV Rs.10 each)	2.85*	3.46*	3.84*	9.64*	8.24*	13.50
	* Not annualised						



Notes:

- 1 The above unaudited consolidated financial results for the quarter and nine months ended December 31, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on January 22, 2025. The financial results for the quarter and nine months ended December 31, 2024 are reviewed by the statutory auditors of the Company.
- 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 (NICCL) (wholly owned Subsidiary Company).
- 3 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 of the Holding Company as on December 31, 2024 is Rs. 11,673.78 crores (as on March 31, 2024: Rs.8,818.99 crores).

Details of Core SGF as on December 31, 2024 is as follows:

	CM	FO	CD	Debt	TRI Party	Commodity	Other	(Rs. in Total
NSE Clearing Ltd's contribution (NCL)	194.00	4,068.79	122.00	3.00	8.50	5.00	-	4,401.29
National Stock Exchange of India Ltd's (NSE) Contribution	88.73	2,033.97	59.51	1.00	8.50	2.50	68.39	2,262.60
Contribution by NCL on behalf of Members	-	641.37	-	-	-	-	-	641.37
Contribution by NSE on behalf of Members	97.00	1,392.60	61.00	-	-	2.50	-	1,553.10
BSE Limited's Contribution	8.27	19.05	16.32	-	-	-	-	43.63
Metropolitan Stock Exchange of India's Contribution	0.00	-	2.93	-	-	-	-	2.93
Others	-	-	-	-	-	-	-	1.00
Penalty collected from members	10.61	1,964.83	58.28	-	-	0.57	-	2,034.29
Income on Investments	49.24	621.30	50.34	1.14	7.74	3.79	-	733.56
Total	447.86	10,741.91	370.37	5.14	24.74	14.36	69.39	11,673.78

(a) During the quarter and nine months ended December 31, 2024, NCL's own contribution to Core SGF and contribution on behalf of members appropriated out of profits / retained earnings is Rs. 1,258.63 crores and Rs. 641.37 crores respectively aggregating to Rs. 1,900 crores. (NCL's own contribution to Core SGF for the quarter and nine months ended December 31, 2023 was Rs. 41 crores, quarter ended September 30, 2024 was NIL, for year ended March 31, 2024 is Rs. 1,441 crores including an additional contribution of Rs. 1,400 crores with an objective to augment the Core SGF as desired by SEBI).

(b) During the nine months ended December 31, 2024, the Holding Company has received a letter dated May 03, 2024 from SEBI advising NCL/NSE to augment Core SGF of NCL in equity derivative segment (FO) to at least Rs. 10,500 crores within six months. During the quarter ended June 30, 2024, NCL's additional contribution amounting to Rs. 1,382 crores and NSE's additional contribution amounting to Rs. 1,849.99 crores along with Income earned thereon included under 'Other' as at March 31, 2024 has been transferred to FO segment. Further, on October 30, 2024, the Holding Company has augmented Core SGF Segment (FO) by contributing Rs. 1,900 crores as stated in (a) above and also made inter segment transfer of funds from segment (CM) to segment (FO), as permitted vide SEBI circular SEBI/HO/MRD/MRD-PoD-2/P/CIR/2024/131 dated October 01, 2024 and accordingly the Holding Company has met the level prescribed by the SEBI.

(c) During the nine months ended December 31, 2024, an amount of Rs.215.13 crores has been received from NSE, of which Rs.146.74 crores has been utilised to further augment the Core SGF of FO segment and Rs. 68.39 crores has been included under 'Other' above.



- 4 In respect of Subsidiary Company NICCL, as per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021 Regulation-31 on Settlement Guarantee Fund:
- (1) A recognised clearing corporation shall establish and maintain a Settlement Guarantee Fund to guarantee the settlement of trades executed on a stock exchange.
 - (2) The fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.
 - (3) In the event of a recognised clearing member failing to honour its settlement obligations, the fund shall be utilized to complete such settlement.
 - (4) The corpus of the fund shall be adequate to meet the settlement obligations arising on account of failure of clearing member(s).
 - (5) The sufficiency of the corpus of the fund shall be tested by way of periodic stress tests, in the manner specified by the Authority.
 - (6) A recognised clearing corporation shall evolve a detailed framework for the settlement guarantee fund, subject to approval of the Authority.

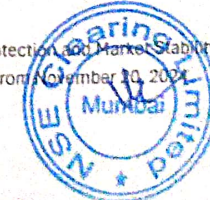
Details of Settlement Guarantee Fund (SGF) are as follows :

(Rs in crores)

	As at 31.12.2024	As at 31.12.2023	As at 31.03.2024
	Unaudited	Unaudited	Audited
Company's Own contribution & Interest received on Investments*	92.09	25.63	36.89
Penalty collected from members	0.11	0.08	0.08
Interest accrued on SGF Fixed Deposits	3.11	0.91	1.29
Total	95.30	26.62	38.25

NICCL's Own Contribution to SGF during the nine months ended December 31, 2024, is Rs 52.66 crores and Rs 13.86 crores for the nine months ended December 31, 2023 (Rs 25.03 crores for the year ended March 31, 2024).

- 5 SEBI, vide circular SEBI/HO/MRD/DRMNP/CIR/P/2019/55 dated April 10, 2019, inter alia, has prescribed Risk based capital and net worth requirements for the purpose of the calculation of Net Worth of a Clearing Corporation. The Holding Company has computed liquid assets and informed to SEBI vide letter January 09, 2025 that there is a deficit of Rs 176.65 crores in minimum liquid assets required, primarily on account of non receipt of dues from BSE Ltd. amounting to Rs 312.37 Crores. This deficit will be replenished by the internal accruals / recovery of the receivables before March 31, 2025. Further, the Holding Company has not factored in interest accrued of Rs. 424.35 crores as at December 31, 2024 while computing said deficit.
- 6 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, 2024 Rs.8,000 crores (September 30, 2024 , March 31, 2024 and December 31, 2023 Rs. 8,000 crores).
- 7 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, filed detailed response and consent application with SEBI. On March 19, 2024, revised settlement terms were also filed with SEBI. The hearing in the Settlement Proceedings have been concluded and as approved by the Board, NCL has filed Revised Settlement Terms (RST) before the internal committee of SEBI. On September 20, 2024, SEBI has intimated the decision of accepting the RST filed by the Company and agreed to settle the matter on payment of Rs.27.13 crores within 30 days from the receipt of the intimation. On October 14, 2024, the subject amount was paid and the same is disclosed as an exceptional item in the financial results for the quarter ended September 30, 2024 and nine months ended December 31, 2024. The settlement order in this regard was received on October 29, 2024.
- 8 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 and for the year ended March 31, 2024.
- 9 Pursuant to 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, there was increase in receipt of Margin money from members which resulted in increase in other operating revenue with effect from July 01, 2023.
- 10 Pursuant to SEBI circular SEBI/HO/MRD/TPD-1/P/CIR/2024/132 dated October 01, 2024, pertaining to measures to Strengthen Equity Derivatives Framework for Increased Investors Protection and Market Stability, there was a decline in overall volume of the Index Derivatives and resultant decline in collateral from members which has resulted in decrease in Revenue from Operations of the Holding Company with effect from November 10, 2024.



- 11 The Holding Company in its Letter of Offer dated March 18, 2024 offered 140,00,00,000 equity shares by way of Rights issue at a face value of Rs 10 each and at a price of Rs 10 per equity share. The issue opened on March 22, 2024. The Company allotted 140,00,00,000 equity shares on March 27, 2024 on the basis of allotment approved by the Board of Directors aggregating to Rs. 1,400 crores. The proceeds of the said Right issue have been fully utilised in March 2024 towards contribution to Core Settlement Guarantee Fund as per terms of the letter of offer for rights issue. Pursuant to the allotment of equity shares on rights basis, basic and diluted earnings per share have been adjusted for all the periods presented retrospectively for the quarter and nine months ended December 31, 2023, and year ended March 31, 2024 for the bonus element in respect of rights issue in accordance with Ind AS 33. For the purpose of calculation of bonus element in respect of rights issue the Book Value as on March 26, 2024 has been considered as Fair Value.
- 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 Figures for previous period / year's are regrouped, reclassified and rearranged wherever necessary.

Place: Mumbai
Date: January 22, 2025



For and on behalf of Board of Directors
NSE CLEARING LIMITED


VIKRAM KOTHARI
Managing Director
[DIN : 07898773]

