

KHANDELWAL JAIN & CO.

CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report

Review Report to The Board of Directors

NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)

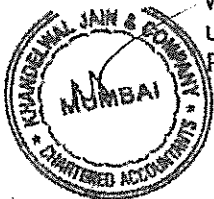
Introduction

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **NSE Clearing Limited** (formerly known as National Securities Clearing Corporation Limited) ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2019 together with the related notes thereon ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 35 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (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 Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018, for the quarter ended March 31, 2019 and year ended March 31, 2019 as reported in these financial results have not been subjected to review.
2. This Statement is the responsibility of the Parent's Management, 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 IFSC Clearing Corporation Limited	Subsidiary

Conclusion

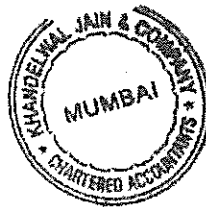
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in 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 35 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 reflect total assets of Rs. 77.67 Crore as at June 30, 2019 and total revenues of Rs. 0.27 Crore, total net loss after tax of Rs. 1.68 Crore and total comprehensive income / (loss) of Rs. (1.60) Crore for the quarter ended June 30, 2019, and cash outflows (net) of Rs. 8.54 Crore for the period from April 1, 2019 to June 30, 2019, as considered in the consolidated unaudited financial results. These 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 the above matter.

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



Narendra Jain

Narendra Jain
Partner
Membership No. 048725
UDIN: 19048725AAAAAN7946

Place : Mumbai
Date : July 31, 2019

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

(Rs. in Crore)

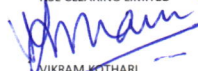
Sr. No.	PARTICULARS	Quarter ended			Year ended
		June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited
1	Income				
	Revenue from Operations				
	a) Income from Operations	37.61	36.92	33.36	141.89
	b) Other Operating Revenues	45.76	37.39	46.31	176.97
	Other income	16.77	18.91	14.23	62.14
	Total Income	100.14	93.22	93.90	381.00
2	Expenditure				
	(a) Employee benefits expenses	8.56	8.64	5.99	29.47
	(b) Depreciation and amortisation expenses	1.89	1.22	1.06	4.62
	(c) Space & Infrastructure Usage Charges	4.91	8.27	5.42	26.49
	(d) Technology related Expenses	8.41	5.77	6.52	33.87
	(e) Other expenses	4.85	9.91	7.64	24.32
	Total Expenses	28.62	33.82	26.63	118.77
3	Profit before Tax (1- 2)	71.52	59.40	67.27	262.23
4	Less : Tax expenses				
	Current tax	20.69	20.27	24.79	91.24
	Tax for earlier year	-	1.40	-	1.40
	Deferred tax	(0.95)	1.87	(0.70)	3.47
	Total tax expenses	19.74	23.54	24.09	96.11
5	Profit for the period (3-4)	51.78	35.86	43.18	166.12
6	Other comprehensive Income (Net)				
	<i>Items that will not be reclassified to profit or loss</i>				
	Remeasurements of post-employment benefit obligations	(0.51)	0.09	(0.32)	(0.29)
	Changes in foreign currency translation reserve	0.08	-0.81	3.36	3.26
	<i>Income tax relating to items that will not be reclassified to profit or loss</i>				
	Tax Remeasurements of post-employment benefit obligations	0.15	-0.03	0.11	0.10
	Total Other Comprehensive Income for the year	(0.28)	(0.75)	3.15	3.07
7	Total comprehensive Income for the period (5+6)	51.50	35.11	46.33	169.19
8	Paid-up equity share capital (Face value Rs. 10 per share)	45.00	45.00	45.00	45.00
9	Reserves (excluding Revaluation Reserve)				419.89
10	Earnings per Share (EPS) (before contribution to Core SGF)				
	(a) Basic (Rs.)	11.51*	7.97*	9.59*	36.92
	(b) Diluted (Rs.)	11.51*	7.97*	9.59*	36.92
	* Not annualised				

Notes:

- The above unaudited financial results for the quarter ended June 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 31, 2019 and The Statutory Auditors have carried out a limited review of the above financial results for the quarter ended June 30, 2019.
- Figures pertaining to the quarter ended June 30, 2018, quarter ended March 31, 2019 and Year ended March 31, 2019 have not been subject to limited review.
- 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 June 30, 2019 is Rs.2871.59 crores comprising of: a) Rs.734.46 crores contributed by NCL by appropriating reserves / profits b) Rs.376.15 crores received from NSE towards Core SGF. c) Member's contribution to Core SGF amounting to Rs. 361.93 crores is utilised out of the amount received from NSE towards 25% of its annual profits upto August 2015 d) The balance amount of 25% of Exchange profits amounting to Rs. 327.51 crores is credited to Core SGF e) Rs.60.04 crores, Rs.28.35 crores and Rs.26.07 crores adjusted towards incremental requirement of Minimum Required Corpus (MRC) from the interest accrual on the cash contribution by NCL, NSE and NSE's Contribution on behalf of members respectively. In addition to the above, Fines & penalties collected by NCL amounting to Rs.521.14 crores and an amount of Rs 435.93 crores being income from investments of Core SGF funds have been credited to Core SGF. NCL's own contribution to Core SGF for the quarter ended June , 2019, March 19 and June 18 amounting to Rs. NIL , Rs. NIL and Rs. Rs.12.46 crores respectively . (for year ended March 31, 2019 Rs.17.46 crores) have been appropriated out of profits.
 - Further, SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of a fund and minimum corpus of such fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC). Accordingly total Core SGF as on June 30, 2019 of Subsidiary NSE IFSC Clearing Corporation (NICCL) is Rs.7.93 crores comprising of Rs.7.79 crores contributed by NCL by appropriating reserves / profits and Fines & penalties collected by NICCL amounting to Rs.0.02 crores & an amount of Rs 0.12 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 June , 2019, March 19 and June 18 amounting to Rs. NIL , Rs.0.50 Crores and Rs. NIL respectively. (for year ended March 31, 2019 Rs.0.50 crores).
 - During FY 2018-19 Company 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 NSE Clearing Ltd. has commenced Clearing & Settlement activities for Capital market segment under interoperability framework as prescribed by SEBI.
- Effective April 1, 2019, the Company adopted Ind AS 116 Leases, applied to all contracts having lease components existing on April 01, 2019 using the modified retrospective method. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company has measured the Right-of-use asset and lease liability based on the remaining lease period and payments discounted using the incremental borrowing rate as of the date of initial application. On initial date of application, the adoption of the new standard resulted in recognition of Right-of-use asset and lease liability respectively. The effect of this adoption is insignificant.
- 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".
- NSE Clearing Ltd. in its annual general meeting held on June 26, 2019 has approved the payment of Dividend towards financial year ended March 31, 2019 of Rs. 18/- per equity shares of Rs.10/- each which was proposed by Board of Directors on April30, 2019 and the same was paid on June 27, 2019.
- Previous period / years figures 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 : July 31, 2019



May prosperity always bloom