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

1. Introduction

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **NSE Clearing Limited** (formerly known as National Securities Clearing Corporation Limited) (the "Company") for the quarter and nine month ended December 31, 2019 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.

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



Narendra Jain
Partner
Membership No. 048725
UDIN: 20048725AAAAAC1189



Place: Mumbai

Date: January 30, 2020



NSE Clearing Limited
(Formerly Known as National Securities Clearing Corporation 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 AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in crores)

Sr. No.	PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Nine months ended		Year ended
		December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	December 31, 2018	March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations				126.17	104.97	141.89
	a) Income from Operations	44.33	44.23	36.66	47.91	134.91	176.97
	b) Other Operating Revenues	47.70	41.45	47.91	47.75	43.22	62.00
	Other income	15.83	15.41	14.96	47.75	43.22	62.00
	Total Income	107.86	101.09	99.53	308.83	287.77	380.86
2	Expenditure						
	(a) Employee benefits expenses	8.62	8.10	7.10	24.92	19.49	27.68
	(b) Depreciation and amortisation expenses	2.87	2.24	1.08	6.63	3.07	4.17
	(c) Space & Infrastructure Usage Charges	5.98	5.17	6.48	16.06	18.10	26.34
	(d) Technology related Expenses	6.21	6.83	7.54	20.39	25.72	30.45
	(e) Other expenses	9.43	6.90	4.85	21.03	14.01	23.59
	Total Expenses	33.11	29.24	27.05	89.03	80.39	112.23
3	Profit before Tax (1- 2)	74.75	71.85	72.48	219.80	207.38	268.63
4	Less : Tax expenses						
	Current tax	21.42	26.11	23.03	68.22	70.98	91.25
	Tax for earlier year	0.38	-	-	0.38	-	1.40
	Deferred tax	0.15	(4.99)	2.32	(5.80)	1.60	3.47
	Total tax expenses	21.95	21.12	25.35	62.80	72.58	96.12
5	Profit for the period (3-4)	52.80	50.73	47.13	157.00	134.80	172.51
6	Other comprehensive Income (Net)						
	Items that will not be reclassified to profit or loss						
	Remeasurements of post-employment benefit obligations	(0.43)	(0.05)	(0.11)	(0.99)	(0.38)	(0.29)
	Income tax relating to items that will not be reclassified to profit or loss						
	Tax Remeasurements of post-employment benefit obligations	0.13	0.01	0.04	0.29	0.13	0.10
	Total Other Comprehensive Income for the period	(0.30)	(0.04)	(0.07)	(0.70)	(0.25)	(0.19)
7	Total comprehensive Income for the period (5+6)	52.50	50.69	47.06	156.30	134.55	172.32
8	Paid-up equity share capital (Face value Rs. 10 per share)	45.00	45.00	45.00	45.00	45.00	443.87
9	Reserves (excluding Revaluation Reserve)						
10	Earnings per Share (EPS) (before contribution to Core SGF)						
	(a) Basic (Rs.)	11.73*	11.27*	10.47*	34.89*	29.96*	38.34
	(b) Diluted (Rs.)	11.73*	11.27*	10.47*	34.89*	29.96*	38.34
	* Not annualised						

Notes:

- The above unaudited financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on January 30, 2020 and The Statutory Auditors have carried out a limited review of the above financial results.
- 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, 2019 is Rs.3060.44 crores comprising of: a) Rs.734.46 crores contributed by NSE Clearing Ltd (NCL) by appropriating reserves / profits b) Rs.376.15 crores received from National Stock Exchange of India (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.69.04 crores, Rs.32.35 crores and Rs.31.07 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.610.59 crores and an amount of Rs. 517.34 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 Dec 2019, Sep 19 and Dec 18 amounting to Rs. NIL, Rs. NIL and Rs. 5.00 crores respectively and for Nine month ended Dec 19 and Dec 18 amounting to Rs. NIL and 17.46 Crores respectively. (for year ended March 31, 2019 Rs.17.46 crores) have been appropriated out of profits. Further incremental requirement of Contribution to core SGF of Rs.2 Crores for quarter ended Dec 19 viz : from NCL Rs.1 crore, NSE Rs.1 crore on behalf of members has been adjusted from interest accrual on respective investments. Similarly Rs.18 Crores for nine months ended Dec 19 viz : from NCL Rs.9 crores, NSE Rs. 4 crores and NSE Rs.5 crores on behalf of members has been adjusted from interest accrual on respective investments.
 - 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 nine months ended December 31, 2019, the company has commenced Clearing & Settlement activities for Capital market segment, Equity Derivatives segment and Currency Derivatives segment under interoperability framework as prescribed by SEBI.
- During the quarter company have given bank guarantee of Rs.500 crores in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI.
- 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 / years are regrouped, reclassified and rearranged wherever necessary.

Place : Mumbai
Date : January 30, 2020

For and on behalf of Board of Directors
NSE CLEARING LIMITED


VIKRAM KOTHARI
Managing Director
[DIN : 07898773]