

KHANDELWAL JAIN & CO.

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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)

1. Introduction

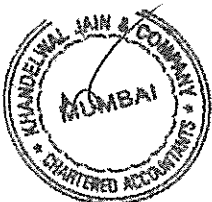
We have reviewed the accompanying Statement of Unaudited Financial Results of **NSE Clearing Limited** (formerly known as National Securities Clearing Corporation Limited) (the "Company") for the quarter ended June 30, 2019 together with the related notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to 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 ("Circular").

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 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.

4. Other Matter

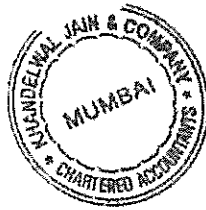
The Statement includes the unaudited financial results for the quarter ended March 31, 2019, being the balancing figure between audited figures in respect of full financial year ended March 31, 2019 and the unaudited financial results for nine months period ended December 31, 2018 which were subject to limited review by us.

Our conclusion 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: 19048725AAAAAM5277

Place : Mumbai

Date : July 31, 2019

STATEMENT OF UNAUDITED STANDALONE 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	Audited
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	16.51	18.78	14.23	62.00
	Total Income	99.88	93.09	93.90	380.86
2	Expenditure				
	(a) Employee benefits expenses	8.20	8.19	5.57	27.68
	(b) Depreciation and amortisation expenses	1.52	1.10	0.96	4.17
	(c) Space & Infrastructure Usage Charges	4.91	8.24	5.38	26.34
	(d) Technology related Expenses	7.35	4.73	8.80	30.45
	(e) Other expenses	4.70	9.58	4.40	23.59
	Total Expenses	26.68	31.84	25.11	112.23
3	Profit before Tax (1- 2)	73.20	61.25	68.79	268.63
4	Less : Tax expenses				
	Current tax	20.69	20.27	24.79	91.25
	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	96.12
5	Profit for the period (3-4)	53.46	37.71	44.70	172.51
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	(0.31)	(0.29)
	<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	(0.36)	0.06	(0.20)	(0.19)
7	Total comprehensive income for the period (5+6)	53.10	37.77	44.50	172.32
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)				443.87
10	Earnings per Share (EPS) (before contribution to Core SGF)				
	(a) Basic (Rs.)	11.88*	8.38*	9.93*	38.34
	(b) Diluted (Rs.)	11.88*	8.38*	9.93*	38.34
	* 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 meeting held on July 31, 2019 and The Statutory Auditors have carried out a limited review of the above financial results.
- The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year 2018-19 and published year to date figures upto the third quarter of financial year 2018-19.
- Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, 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.
 - 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 the Company has commenced Clearing & Settlement activities for Capital market segment 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".
- The Company 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 April 30, 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

Place: Mumbai
Date: July 31, 2019



May prosperity always bloom


VIKRAM KOTHARI
Managing Director
[DIN: 07898773]