

Price Waterhouse & Co Chartered Accountants LLP

Review Report

To

The Board of Directors
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block- G,
Bandra Kurla Complex,
Bandra (East),
Mumbai- 400 051.

1. We have reviewed the consolidated unaudited financial results of National Stock Exchange of India Limited (the "Parent") and its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), and its share of the net profit/(loss) after tax and total comprehensive income / (loss) of its associate companies (refer paragraph 4 in this Report) for the quarter ended December 31, 2023, and the year to date results for the period April 1, 2023, to December 31, 2023, which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended December 31, 2023' (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SECC Regulations") read with of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent'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 accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our 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. 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 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.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

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

Sr. No.	Name	Nature of Relationship
1	NSE Clearing Limited	Subsidiary Company
2	NSE Investments Limited	Subsidiary Company
3	NSE IFSC Limited	Subsidiary Company
4	NSE IFSC Clearing Corporation Limited	Subsidiary Company
5	NSEIT Limited	Subsidiary Company
6	NSE Data & Analytics Limited	Subsidiary Company
7	NSE Indices Limited	Subsidiary Company
8	NSE Infotech Services Limited	Subsidiary Company
9	NSE IT (US) Inc.	Subsidiary Company
10	Aujas Cybersecurity Limited	Subsidiary Company
11	NSE Academy Limited	Subsidiary Company
12	TalentSprint Private Limited	Subsidiary Company
13	Cogencis Information Services Limited	Subsidiary Company
14	CXIO Technologies Private Limited	Subsidiary Company
15	TalentSprint Inc.	Subsidiary Company
16	NSE Foundation	Subsidiary Company
17	National Securities Depository Limited	Associate Company
18	India International Bullion Holding IFSC Limited	Associate Company
19	Power Exchange India Limited	Associate Company
20	Protean eGov Technologies Limited	Associate Company
21	Market Simplified India Limited	Associate Company
22	Receivables Exchange of India Limited	Associate Company
23	Indian Gas Exchange Limited	Associate Company
24	Capital Quant Solutions Private Limited	Associate Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SECC Regulations read with Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to Note 2 to the Statement, relating to the orders passed by the Securities and Exchange Board of India ("SEBI") in relation to preferential access to tick-by-tick data at the Parent's Colocation facility, Dark Fiber point-to-point connectivity and Governance and Conflict of Interest matters and the adjudication orders in relation to these matters. The above matters continue to be under appeal with the Hon'ble Securities Appellate Tribunal or the Hon'ble Supreme Court. The future outcome of the above matters is uncertain at this stage. Based on the legal opinion obtained by the Parent, except for the penalty amount of Rs. 100 crores as mentioned in Note 2 to the Statement, no provision for any liability has been recognized towards the above matters. Our conclusion is not modified in respect of this matter.

Price Waterhouse & Co Chartered Accountants LLP

7. We did not review the interim condensed financial information of one subsidiary and consolidated interim financial information of two subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 766.8 crores and Rs. 1,874.63 crores, total net profit after tax of Rs. 587.31 crores and Rs. 1,270.67 crores and total comprehensive income of Rs. 584.34 crores and Rs. 1,265.19 crores, for the quarter ended December 31, 2023, and for the period from April 1, 2023, to December 31, 2023, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 14.78 crores and Rs. 43.77 crores and total comprehensive income of Rs. 14.50 crores and Rs. 43.62 crores for the quarter ended December 31, 2023, and for the period from April 1, 2023, to December 31, 2023, respectively, as considered in the consolidated unaudited financial results, in respect of two associate companies, whose interim financial information have not been reviewed by us. These interim condensed financial information/ interim financial information have been audited/ reviewed by other auditors on which they have issued an unmodified opinion/ conclusion and which 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 these subsidiaries and associate companies, is based solely on the reports 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 matters.


8. The consolidated unaudited financial results includes the interim financial information of one subsidiary which has not been reviewed/audited by their auditors, whose interim financial information reflect total revenue of Rs. 0.02 crore and Rs. 0.02 crore, total net (loss) after tax of Rs. (*) crore and Rs. (0.02) crore and total comprehensive loss of Rs. (*) crore and Rs. (0.02) crore for the quarter ended December 31, 2023, and for the period from April 1, 2023, to December 31, 2023, respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 10.21 crores and Rs. 30.16 crores and total comprehensive income of Rs. 9.21 crores and Rs. 26.94 crores for the quarter ended December 31, 2023, and for the period from April 1, 2023, to December 31, 2023, respectively, as considered in the consolidated unaudited financial results, in respect of three associate companies, based on their interim financial information which have not been reviewed/audited by their auditors. The unaudited consolidated financial results do not include Group's share of total comprehensive income/ (loss) in respect of two associate companies in which investment of Rs. 21.62 crores made by the Group has been fully impaired. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

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

*Represents figures below the rounding convention used in this report.

For Price Waterhouse & Co. Chartered Accountants LLP.

Firm Registration Number: 304026E/ E - 300009



Amit Borkar

Partner

Membership Number 109846

UDIN: 24109846BKGXRH7973

Place: Pune

Date: February 10, 2024



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023 Unaudited	30.09.2023 Unaudited	31.12.2022 Unaudited	31.12.2023 Unaudited	31.12.2022 Unaudited	31.03.2023 Audited
Continuing Operations						
1 Income						
(a) Revenue from operations	3,516.56	3,651.78	2,824.29	10,155.45	8,403.04	11,856.23
(b) Other Income	375.59	371.37	269.73	1,116.69	588.80	909.13
Total Income	3,892.15	4,023.15	3,094.02	11,272.14	8,991.84	12,765.36
2 Expenses						
(a) Employee benefits expense	117.37	110.62	81.73	341.71	268.93	366.05
(b) Regulatory Fees	251.00	242.09	123.77	679.01	312.50	477.94
(c) Depreciation and amortisation expense	113.17	106.61	93.72	323.23	282.23	384.06
(d) Other expenses	331.51	400.13	393.75	1,111.32	951.76	1,380.78
Total expenses (excluding contribution to Core settlement guarantee fund (Core SGF))	813.05	859.45	692.97	2,455.27	1,815.42	2,608.83
3 Profit before Exceptional items, contribution to Core SGF, Share in profit / (loss) in equity accounted investment and Tax (1-2)	3,079.10	3,163.70	2,401.05	8,816.87	7,176.42	10,156.53
4 Share in profit / (loss) in equity accounted investment	30.28	25.51	27.61	78.42	63.48	88.50
5 Profit before Exceptional items, contribution to Core SGF and Tax (3+4)	3,109.38	3,189.21	2,428.66	8,895.29	7,239.90	10,245.03
6 Exceptional items						
Settlement amount paid to SEBI (Refer Note 4)	-	-	-	(22.88)	-	-
Profit on sale of investments (Refer Note 12)	81.43	-	-	81.43	-	-
7 Profit after Exceptional items before contribution to Core SGF and Tax (5+6)	3,190.81	3,189.21	2,428.66	8,953.84	7,239.90	10,245.03
8 Additional Contribution to Core SGF (Refer note 6 and 7)	(556.05)	(560.18)	-	(1,166.72)	-	(203.45)
9 Profit before tax for the period / year from continuing operations (7-8)	2,634.76	2,629.03	2,428.66	7,787.12	7,239.90	10,041.58
10 Less: Income Tax expense						
(a) Current tax expense	612.87	597.27	529.89	1,776.03	1,801.37	2,521.01
(b) Deferred tax expenses	9.61	19.83	32.57	104.89	43.42	18.69
Total tax expenses	622.48	617.10	562.46	1,880.92	1,844.79	2,539.70
11 Profit for the period / year from continuing operations (9-10)	2,012.28	2,011.93	1,866.20	5,906.20	5,395.11	7,501.88
12 Discontinued Operations (Refer note 11)						
(a) (Loss) from discontinued operations before tax	(33.79)	(3.50)	(35.94)	(70.31)	(98.90)	(127.97)
(b) Tax expense of discontinued operations	(3.15)	(9.82)	(4.17)	(17.98)	(7.10)	(17.92)
(c) (Loss) from discontinued operations (a-b)	(36.94)	(13.32)	(40.11)	(88.29)	(106.00)	(145.89)
13 Profit for the period / year (11+12)	1,975.34	1,998.61	1,826.09	5,817.91	5,289.11	7,355.99



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

(Rs. in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023 Unaudited	30.09.2023 Unaudited	31.12.2022 Unaudited	31.12.2023 Unaudited	31.12.2022 Unaudited	31.03.2023 Audited
14 Other Comprehensive Income						
(a) <i>Items that will be reclassified to profit or loss (net of tax)</i>						
Changes in fair value of FVOCI debt instruments	9.97	(9.52)	3.95	10.33	(27.31)	(21.60)
Changes in foreign currency translation reserve	0.01	1.45	0.94	1.25	8.13	7.28
Changes in foreign currency translation reserve pertaining to discontinued operations	(0.01)	0.08	0.00	0.05	0.19	0.26
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>						
Remeasurements of post-employment benefit obligations	(0.05)	1.49	0.85	(2.62)	(0.28)	0.88
Remeasurements of post-employment benefit obligations pertaining to discontinued operations	(1.74)	(0.19)	(1.30)	(2.54)	(2.05)	(2.40)
Changes in fair value of FVOCI equity instruments	(2.01)	(1.60)	(2.87)	(1.61)	(1.85)	(4.52)
Share of other comprehensive income of associates accounted for using the equity method	(0.88)	(1.19)	(0.20)	(3.10)	2.18	2.05
Total other comprehensive income / (loss) for the period / year, net of taxes	5.29	(9.48)	1.37	1.76	(20.99)	(18.05)
15 Total comprehensive income for the period / year (13+14)	1,980.63	1,989.13	1,827.46	5,819.67	5,268.12	7,337.94
16 Profit attributable to :						
Owners of National Stock Exchange of India Limited	1,975.74	1,998.50	1,826.63	5,818.43	5,289.44	7,354.81
Non-Controlling Interests	(0.40)	0.11	(0.54)	(0.52)	(0.33)	1.18
17 Other comprehensive income attributable to :						
Owners of National Stock Exchange of India Limited	5.31	(9.45)	1.38	1.81	(20.96)	(18.04)
Non-Controlling Interests	(0.02)	(0.03)	(0.01)	(0.05)	(0.03)	(0.01)
18 Total comprehensive income attributable to :						
Owners of National Stock Exchange of India Limited	1,981.05	1,989.05	1,828.01	5,820.24	5,268.48	7,336.77
Non-Controlling Interests	(0.42)	0.08	(0.55)	(0.57)	(0.36)	1.17
19 Total comprehensive income attributable to owners of National Stock Exchange of India Limited arises from						
Continuing Operations	2,019.32	2,002.56	1,868.86	5,910.45	5,375.97	7,485.97
Discontinued Operations	(38.27)	(13.51)	(40.85)	(90.21)	(107.49)	(149.20)
20 Paid-up equity share capital (Face value Re. 1 per share)	49.50	49.50	49.50	49.50	49.50	49.50
21 Reserves (excluding Revaluation Reserve)						20,428.98
22 Earnings per equity share from continuing operations attributable to owners of National Stock Exchange of India Limited (FV Re. 1 each)						
- Basic and Diluted (Rs.)	40.64*	40.65*	37.70*	119.32*	108.99*	151.55*
23 Earnings per equity share from discontinued operations attributable to owners of National Stock Exchange of India Limited (FV Re. 1 each)						
- Basic and Diluted (Rs.)	(0.74)*	(0.27)*	(0.80)*	(1.78)*	(2.13)*	(2.97)*
24 Earnings per equity share for profit from continuing and discontinued operations attributable to owners of National Stock Exchange of India Limited (FV Re. 1 each)						
- Basic and Diluted (Rs.)	39.90*	40.38*	36.90*	117.54*	106.86*	148.58*

* Not annualised

Segment Information

(a) Description of segments and principal activities

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 and CEO of the Parent Company. The Group has identified the following segments i.e. Trading Services, Clearing Services and Others as reporting segments based on the information reviewed by CODM.

1: Trading Services : This part of the business offers services related to trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments. Revenue includes transaction charges, listing & book building fees, revenue from data centre charges etc.

2: Clearing Services : This part of the business offers clearing and settlement of the trades executed in the capital markets, future & options, currency derivatives and commodity derivatives segments.

3: Others include results of operations from data feed services, data terminal services, strategic investments and index licensing services.

The above business segments have been identified considering :

a) the nature of products and services

b) the differing risks

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

e) The Company has taken certain steps for internal reorganization in the direction of segregation of duties in line with SEBI recommendations, with consequent changes to the review by the Chief Operating Decision Maker (CODM) of the Company. Corresponding changes have been made to the segment information to reflect the above changes.

This treatment is in line with Ind AS 108 – Operating Segments. Accordingly previous period's / year figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods and services or at contracted rates. These transfers are eliminated on consolidation.

(b) Segment Revenue :

Transactions between segments are carried out at arms length. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments.

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023 Unaudited	30.09.2023 Unaudited	31.12.2022 Unaudited	31.12.2023 Unaudited	31.12.2022 Unaudited	31.03.2023 Audited
	Continuing Operations						
1	Segment Revenue						
	(a) Trading	3,194.10	3,409.17	2,628.96	9,436.82	7,887.24	11,182.54
	(b) Clearing	551.53	456.06	243.46	1,262.98	672.94	915.78
	(c) Others	158.68	152.82	149.72	464.08	473.36	637.65
		3,904.31	4,018.05	3,022.14	11,163.88	9,033.54	12,735.97
	Less : Inter Segment Revenue	387.75	366.27	197.85	1,008.43	630.50	879.74
	Total Segment Revenue	3,516.56	3,651.78	2,824.29	10,155.45	8,403.04	11,856.23
2	Segment Result						
	(a) Trading	2,102.77	2,316.85	1,814.06	6,306.72	5,695.59	8,048.83
	(b) Clearing	446.79	301.17	176.65	974.26	467.86	615.86
	(c) Others	95.74	132.96	94.81	268.61	304.89	408.73
	Segment Profit	2,645.30	2,750.98	2,085.52	7,549.59	6,468.34	9,073.42
3	Add : Unallocable Income (Net of Expenses)	433.80	412.72	315.53	1,267.28	708.08	1,083.11
4	Profit before Exceptional items, contribution to Core SGF, Share in profit / (loss) in equity accounted investment and Tax (1-2)	3,079.10	3,163.70	2,401.05	8,816.87	7,176.42	10,156.53
5	Share in profit / (loss) in equity accounted investment	30.28	25.51	27.61	78.42	63.48	88.50
6	Profit before Exceptional items, contribution to Core SGF and Tax (3+4)	3,109.38	3,189.21	2,428.66	8,895.29	7,239.90	10,245.03
7	Exceptional items						
	Settlement amount paid to SEBI by NSE Clearing Limited (NCL)	-	-	-	(22.88)	-	-
	Profit on sale of investments	81.43	-	-	81.43	-	-
8	Profit after Exceptional items before contribution to Core SGF and Tax (5+6)	3,190.81	3,189.21	2,428.66	8,953.84	7,239.90	10,245.03
9	Additional Contribution to Core SGF	(556.05)	(560.18)	-	(1,166.72)	-	(203.45)
10	Profit before tax from continuing operations (7-8)	2,634.76	2,629.03	2,428.66	7,787.12	7,239.90	10,041.58
11	Less: Income Tax expense						
	(a) Current tax expense	(612.87)	(597.27)	(529.89)	(1,776.03)	(1,801.37)	(2,521.01)
	(b) Deferred tax expenses	(9.61)	(19.83)	(32.57)	(104.89)	(43.42)	(18.69)
	Total tax expenses	(622.48)	(617.10)	(562.46)	(1,880.92)	(1,844.79)	(2,539.70)
12	Profit for the period / year from continuing operations (9-10)	2,012.28	2,011.93	1,866.20	5,906.20	5,395.11	7,501.88
13	Discontinued Operations (Refer note 16)						
	(a) (Loss) from discontinued operations before tax	(33.79)	(3.50)	(35.94)	(70.31)	(98.90)	(127.97)
	(b) Tax expense of discontinued operations	(3.15)	(9.82)	(4.17)	(17.98)	(7.10)	(17.92)
	(c) (Loss) from discontinued operations (a-b)	(36.94)	(13.32)	(40.11)	(88.29)	(106.00)	(145.89)
14	Profit for the period / year (11+12)	1,975.34	1,998.61	1,826.09	5,817.91	5,289.11	7,355.99

Segment Information

(c) Segment Assets :

Segment assets are measured in the same way as in the Balance Sheet. These assets are allocated based on the operations of the segment.

Segments	(Rs. Crs)		
	31.12.2023	31.12.2022	31.03.2023
Trading Services	7,566.76	6,558.33	7,051.65
Clearing Services *	30,967.91	14,967.58	11,593.95
Others	2,116.26	2,336.30	1,197.48
	40,650.93	23,862.21	19,843.08
Less : Inter Segment Assets	2,848.73	2,423.33	2,093.04
Total Segment Assets	37,802.20	21,438.88	17,750.04
Asset Classified as held for Sale	870.43	375.16	786.21
Unallocable Assets	21,078.27	16,623.12	18,028.09
Total Assets	59,750.90	38,437.16	36,564.34

Treasury investments held by the Group are not considered to be segment assets but are managed by the treasury function. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable. Interest income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

* Segment Asset include amount pertaining to Core SGF maintained by NSE Clearing Limited and NSE IFSC Clearing Corporation Limited (NSE IFSC CC) as follows:

Particulars	(Rs. Crs)		
	31.12.2023	31.12.2022	31.03.2023
Contribution to Core SGF	6,636.76	4,432.52	4,797.22
Contribution to SGF - Commodity Derivatives	250.00	250.00	250.00
Contribution to Core SGF - NSE IFSC CC	26.62	11.85	11.91

(d) Segment Liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

Segments	(Rs. Crs)		
	31.12.2023	31.12.2022	31.03.2023
Trading Services	6,660.72	4,475.54	3,151.81
Clearing Services	29,340.45	13,750.68	11,027.17
Others	107.86	74.84	27.31
	36,109.03	18,301.06	14,206.29
Less : Inter Segment Liabilities	198.87	90.28	116.54
Total Segment Liabilities	35,910.16	18,210.78	14,089.75
Liabilities directly associated with assets classified as held for Sale	366.02	69.23	421.54
Unallocable Liabilities	1,184.29	1,596.13	1,572.48
Core Settlement Guarantee Fund	(6,956.47)	(4,715.92)	(5,283.61)
Total Liabilities	30,504.00	15,160.22	10,800.16

Notes :-

- 1 The above Consolidated 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 its meeting held on February 10, 2024. This financial results have been reviewed by the Statutory Auditors of the Company.
- 2 The Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Limited (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. Accordingly, investigations were carried out and the reports were submitted to SEBI. Further, in September 2016, SEBI directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016, be transferred to a separate bank account. In terms of the said directions, NSE continued to transfer the amount till May 2021, subsequently SAT allowed the release of the amounts from such separate bank account (as further explained below).

Three separate show cause notices (SCN) on May 22, 2017, and July 03, 2018, were issued by SEBI to NSE and to some of its employees, including former employees, in respect of the alleged preferential access to tick-by-tick data in NSE's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest related matters which were responded to by NSE. NSE had also filed a Consent Application with SEBI on August 31, 2018, in respect of the said show cause notices. SEBI vide its letter dated April 30, 2019, returned the Consent Application filed by NSE and passed orders in respect of all the three show cause notices. In the first order, it passed a direction on NSE inter alia to disgorge an amount of Rs. 624.89 crore along with interest at the rate of 12% per annum from April 01, 2014, till the actual date of payment and certain non-monetary and restrictive directions prohibiting NSE from accessing securities market, through issuance of equity, debt or other securities for a period of six months from the date of the order. In the second order, it passed a direction to deposit a sum of Rs. 62.58 crore along with interest at the rate of 12% p.a. from September 11, 2015, till the actual date of payment along with certain non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE also received Adjudication notices covering the above three orders for which NSE has filed its replies with SEBI. With respect to Adjudication notices pertaining to preferential access to tick-by-tick data at NSE's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest matters, SEBI has passed orders and levied monetary penalty of Rs. 1 crore, Rs. 7 crore and Rs. 1 crore, respectively.

NSE having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with the Hon'ble Securities Appellate Tribunal (SAT). SAT vide its interim order has stayed the disgorgement of the amount, however it directed NSE to transfer the amount of Rs. 624.89 crore in the Colocation matter and Rs. 62.58 crore in the Dark Fibre matter totalling to Rs. 687.47 crore to SEBI which was remitted by NSE on June 13, 2019. Further, NSE was also directed by SAT to continue to transfer all revenues emanating from its co-location facility to a separate bank account. With respect to Governance and conflict of interest related matters, Hon'ble SAT vide its interim order has kept the directions passed in the SEBI order in abeyance.

NSE had, in the interim, filed an application with Hon'ble SAT to permit withdrawal of the amounts transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues emanating from its co-location facility to such separate bank account going forward. Hon'ble SAT heard the matter on May 17, 2021, and modified its earlier order dated May 22, 2019, and allowed NSE to withdraw the amounts previously transferred to such account, discontinue further transfer of future revenues and close the separate account. However, in order to balance the equities, Hon'ble SAT directed NSE to transfer an additional amount of Rs. 420 crore into an interest-bearing account with SEBI which was remitted by NSE on June 17, 2021. Accordingly, as on December 31, 2022, a total amount of Rs.1,107.47 crore had been deposited by NSE with SEBI. Hon'ble SAT further vide its order in June 2021, directed the parties for a refresher hearing which was concluded in November 2021.

In relation to the appeal filed for colocation matter, Hon'ble SAT had passed an order dated January 23, 2023, while upholding the non-monetary directives of SEBI has inter alia set aside the SEBI direction for disgorgement. Hon'ble SAT exercising its power has imposed a penalty of Rs. 100 crores on NSE as a deterrent for the lack of due diligence. NSE has duly provided for the said penalty in its financial statements for the year ended March 31, 2023 and the same got adjusted against the disgorgement amount already deposited by NSE.

SEBI preferred an Appeal against the SAT Order dated January 23, 2023, before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated March 20, 2023, directed SEBI to refund to NSE Rs.300 Crores upon filing an undertaking to the effect that in case the Appeal of SEBI is allowed, then NSE will repay the entire amount to SEBI. NSE filed its undertaking with SEBI on March 28, 2023. The amount of Rs.300 Crores was received by NSE on April 21, 2023, and the same has been deposited in interest bearing account.

Additionally, SAT vide its order dated January 23, 2023 directed to the Whole Time Member (WTM) of SEBI to consider the charge of connivance and collusion of OPG and its Directors with any employee/officials of NSE. Accordingly, during the half year ended September 30, 2023, NSE has received Show Cause Notice (SCN) dated May 17, 2023 on the said matter. NSE has filed the settlement application in response to the said SCN vide letter dated July 12, 2023, and thereafter, on August 3, 2023, NSE filed a detailed response to the SCN. SEBI vide its letter dated December 18, 2023 has rejected the settlement application filed by NSE. The personal hearing in the matter has been concluded on February 2, 2024 and the order of SEBI in this regard is awaited.

In the dark fibre matter, SAT vide its order dated August 9, 2023, partly allowed the appeal to the extent that the WTM order for disgorgement has been reversed and the amount deposited by NSE with SEBI shall be refunded by SEBI within a period of 4 weeks from the date of the order. SEBI, thereafter preferred an appeal before the Hon'ble Supreme Court for setting aside the order dated August 9, 2023, passed by SAT and filed an application to stay the effect of the order. The Hon'ble Supreme Court vide its order dated October 17, 2023, directed SEBI to refund an amount of Rs. 31 crore and issued notice directing NSE and all other parties to file their respective reply to the Appeal and adjourned the matter till March 2024. The amount of Rs. 31 crores was received by NSE on November 17, 2023 which has been adjusted against the above amount already deposited by NSE with SEBI..

With respect to adjudication orders, SAT, in an appeal filed by the Company stayed Governance and conflict of interest matters. As regards preferential access to tick-by-tick data at the Company's Colocation facility, SAT vide order dated July 12, 2023, set aside the SEBI order levying monetary penalty of Rs. 1 crore. SEBI has filed an appeal against the SAT Order before the Hon'ble Supreme Court, whereas both the parties are directed to complete the pleading by March 2024 and thereafter the Appeals filed by SEBI arising out of the SAT Orders dated January 23, 2023 and July 12, 2023 (WTM and AO) will be listed for final hearing.

In relation to adjudication order of SEBI's AO dated June 28, 2022 of Dark Fibre which was appealed by NSE, SAT in its order dated December 14, 2023 set aside the penalties of Rs. 5 Crore under PFUTP Regulations read with SEBI Act, Rs.1 Crore for violation of the Circular dated May 13, 2015 and Rs.1 Crore for violation of SECC Regulations. With respect to appeal proceedings challenging SEBI's WTM and Adjudication orders in relation to governance and conflict of interest matters, the final hearing before SAT is pending.

NSE believes that it has strong grounds to contest each of the above orders / appeals including monetary liability (including from completed / pending adjudication proceedings) passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial results for the quarter and nine months ended December 31, 2023.

- 3 NSE was in receipt of Show Cause Notice issued by SEBI on October 9, 2019, and a Supplementary notice on December 16, 2019, alleging violation in relation to certain alleged irregularities in the appointment of Chief Strategic Advisor and his re-designation as 'Group Operating Officer and Advisor to MD' by a former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to NSE with an alleged third party by the former Managing Director & Chief Executive Officer. During the year ended March 31, 2022, SEBI vide order dated February 11, 2022, levied penalty of Rs. 2 Crore which was paid by NSE. In this direction, certain investigating agencies have been making inquiries and seeking various information, data etc. from NSE, which is being provided.
- 4 On February 24, 2021, NSE's trading system was halted due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of NSE, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited (NCL) and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. NSE and NCL have submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021, directed NSE and NCL to pay financial disincentive of Rs. 25 lakhs each. The said amount was paid by NSE on July 12, 2021, and NCL on July 14, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021, to NSE, NCL and some of its employees 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(3)(a), 7(3)(c) and 7(4)(g) of SECC Regulation 2018 for which detailed response was filed and hearing has been completed. In this regard, NSE and NCL have taken necessary remedial actions and both have filed consent application with SEBI on August 31, 2021 and September 03, 2021, respectively, against which, during the previous year, preliminary hearing on maintainability of the said consent application had taken place and the NSE and NCL has filed revised consent terms on March 19, 2023. SEBI accepted the revised terms for settlement of the same for payment of Rs. 49.67 crores by NSE and Rs.22.88 crores by NCL. NSE and NCL paid the settlement amount of Rs. 49.67 crores (shown as other expenses) and Rs.22.88 crores (shown as exceptional item) respectively, during the quarter ended June 2023 and SEBI disposed of the proceedings of the show cause vide settlement order dated June 20, 2023, and June 28, 2023, and directed the individual noticees to comply with the non monetary settlement terms. The same is disclosed as exceptional item in the financial results for the nine months ended December 31, 2023.
- 5 During the year ended March 31, 2023, NSE received a show cause notice vide letter dated February 28, 2023, from SEBI on the Trading Access Point (TAP) matter. NSE has filed the settlement application ("the Application") in response to the said SCN vide letter dated April 28, 2023. In the application, NSE has submitted its grounds of consent and has also stated that it is consenting without admission of liability or guilt and is willing to pay a fair sum in line with the settlement regulations. Thereafter, on July 10, 2023, NSE filed a detailed reply to the Show Cause Notice with SEBI on which NSE is awaiting. NSE's management is of the view that pending the conclusion of this matter with SEBI, no provision / adjustment to this effect is required to be made in the financial results for the quarter and nine months ended December 31, 2023.
- 6 The Board of Directors of NSE in their meeting on March 23, 2023, approved the voluntary contribution at 2% of the transaction charges earned to the Core Settlement Guarantee Fund (Core SGF) to maintain corpus of the said Fund based on the assessment of the current trends in volumes and overall increase in market activities. The Board in its meeting held on November 1, 2023, approved additional contribution of Rs. 500 crore to the Core SGF each quarter for the remainder of FY 23-24 to augment the corpus of the Core SGF as desired by SEBI. Accordingly, during the quarter and nine months ended December 31, 2023, NSE has recognised an expense of Rs. 556.05 crore and Rs. 1,166.72 crore respectively, towards contribution to the Core SGF in the financial results.
- 7 (a) In case of NCL, 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 NCL 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: (Rs. in Crores)

Details of Core SGF as on December 31, 2023 is as follows:	CM	FO	CD	Debt	TRI Party	Commodity	Other	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	87.00	606.00	48.00	1.00	8.50	2.50	1,290.65	2,043.65
Contribution by NSE on behalf of Member	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	-	1,709.09
Income on Investments	78.80	415.47	37.10	1.08	6.38	2.91	25.81	567.55
Others	1.00	-	-	-	-	-	-	1.00
Total	750.44	4,186.36	341.88	5.08	23.38	13.16	1,316.46	6,636.76

- NCL's own contribution to Core SGF appropriated out of profits for the nine months ended December 31, 2023, is Rs. 41 crores and nine months ended December 31, 2022, Rs. 57.54 crores (during the quarter ended December 31, 2023 NIL, September 2023 NIL, December 31, 2022, Rs. 43.65 crores) and for the year ended March 2023 Rs. 267.89 crores)
- During the nine months ended December 2023, an amount of Rs. 1,330.17 crores has been paid by NSE to NCL 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.

(b) In case of the subsidiary company NSE IFSC Clearing Corporation (NICCL), as per Regulation 31 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021, a recognised clearing corporation shall establish and maintain a Settlement Guarantee Fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC) and 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.

Total Core SGF of NSE IFSC Clearing Corporation (NICCL) as on December 31, 2023 is as follows :

	(Amount in Rs Crores)	
	31.12.2023	31.03.2023
Contribution by NICCL	25.63	11.59
Fines & Penalties	0.08	0.05
Income on investments	0.91	0.27
Total	26.62	11.91

- 8 NCL has provided bank guarantee 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).
- 9 During the quarter ended December 31, 2023, SEBI issued a show cause notice to NCL 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 NCL has taken necessary remedial actions and is in the process of filing necessary response with SEBI. The NCL 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.
- 10 NSE IFSC Limited (NSEIX) and NSE IFSC Clearing Corporation Limited (NICCL) commenced the full-scale operations of NSEIX -SGX GIFT Connect commenced with effect from July 03, 2023. NICCL is required to provide collateral to SGX-DC for the due performance of its clearing obligations in respect of the trades placed by SGX-SPV on NSEIX. In this regard, NICCL has availed Bank Guarantee facility from Standard Chartered Bank amounting to USD 50 million (Rs. 415.60 crores) upto December 31, 2023 in respect of which NSE has provided corporate guarantee to the Standard Chartered Bank.
- 11 NSE Investment Limited (NIL) vide its Board meeting held on February 1, 2023, had in-principle approved sale / divestment of Education Business and Technology Business. Pending required regulatory approval, the management has classified the business operations of Education Business and Technology Business as discontinued operations as they meet the conditions as prescribed under Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Details of discontinued operations is given as under :

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
Total Income	244.96	285.73	220.49	774.94	615.39	861.66
Total Expenses	278.75	289.23	256.43	845.25	714.29	989.63
(Loss) from discontinued operations before tax	(33.79)	(3.50)	(35.94)	(70.31)	(98.90)	(127.97)
Tax expense of discontinued operations	(3.15)	9.82	(4.17)	(17.98)	(7.10)	17.92
(Loss) from discontinued operations (a-b)	(36.94)	(13.32)	(40.11)	(88.29)	(106.00)	(145.89)

Previous period financial information in relation to discontinued operations has been re-presented in the consolidated financial results as per the disclosure requirements of Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

- 12 NIL held 25.05% stake in Protean eGov Technologies Limited. During the current quarter, NIL has divested 4.71% stake in the Company and has realised a profit of Rs.81.43 crores. The same is shown as Exceptional Item in the results for the quarter and nine months ended December 31, 2023.
- 13 Previous period's / year figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

For and on behalf of the Board of Directors

Place : Mumbai
Date : February 10, 2024

Ashishkumar Chauhan
Managing Director & CEO
DIN : 00898469