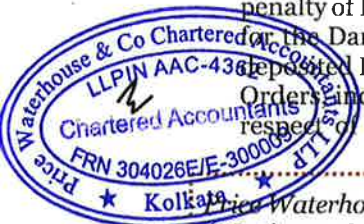


# Price Waterhouse & Co Chartered Accountants LLP

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 standalone unaudited financial results of National Stock Exchange of India Limited (the "Company") for the quarter and the nine months ended December 31, 2022, which are included in the accompanying Statement of Standalone Unaudited Financial Results (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SECC Regulations") read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. 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.
3. 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies 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.
5. We draw your attention to Note 3 to the Statement, relating to the matters with the Securities and Exchange Board of India ("SEBI"). SEBI issued orders on April 30, 2019, wherein disgorgement/demand aggregating Rs. 687.47 crores (excluding interest thereon at 12% p.a. from April 1, 2014, till the actual date of payment for one Order and from September 11, 2015, till the actual date of payment for second Order) had been raised against the Company pursuant to an investigation conducted in relation to preferential access to tick-by-tick data at the Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters ("Orders"). SEBI further directed the Company to undertake certain remedial measures, actions and imposed restrictions ("Other Directives"). The Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above Orders ("the Adjudication Matters"). Adjudication hearings before SEBI were completed for the Adjudication Matters and SEBI levied penalty of Rs. 1 crore each for the Colocation facility matter and the Governance matter and Rs. 7 Crores for the Dark Fiber point to point connectivity matter ("the Adjudication Orders"). The Company had deposited Rs 1,107.47 crores with SEBI in respect of these Orders and appealed to contest the aforesaid Orders including the Adjudication Orders with the Hon'ble Securities Appellate Tribunal ("SAT"). In respect of the preferential access to tick-by-tick data at the Company's Colocation facility matter,



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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)

## **Price Waterhouse & Co Chartered Accountants LLP**

Hon'ble SAT passed an order dated January 23, 2023, upholding the Other Directives of SEBI, setting aside the SEBI direction for disgorgement of an amount of Rs.624.89 crores (along with interest at the rate of 12% p.a.) and imposing a penalty of Rs. 100 crores on the Company as a deterrent for the lack of due diligence and certain other lapses. The Company has recognized such penalty amount of Rs 100 cores included in other expenses in the financial results during the quarter ended December 31, 2022. The Dark Fiber point to point connectivity and Governance related matters ("Ongoing Matters") and the Adjudication Matters continue to be under appeal before with Hon'ble SAT, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Company, no provision for any liability has been recognized towards the Ongoing Matters, including the Adjudication Matters, in the Statement, which are disclosed as contingent liability in Note 3 to the Statement. Our conclusion on the Statement is not modified in respect of these matters.

For Price Waterhouse & Co. Chartered Accountants LLP.  
Firm Registration Number: 304026E/ E - 300009



Sumit Seth  
Partner  
Membership Number: 105869

UDIN: 23105869BGYNZF5056  
Place: Gandhinagar  
Date: February 07, 2023



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(₹ in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2022 Unaudited	30.09.2022 Unaudited	31.12.2021 Unaudited	31.12.2022 Unaudited	31.12.2021 Unaudited	31.03.2022 Audited
<b>1 Income</b>						
(a) Revenue from operations	2,628.56	2,769.84	2,026.13	7,886.14	5,261.49	7,762.80
(b) Other income	205.90	991.61	88.59	1,267.46	369.39	621.80
<b>Total Income</b>	<b>2,834.46</b>	<b>3,761.45</b>	<b>2,114.72</b>	<b>9,153.60</b>	<b>5,630.88</b>	<b>8,384.60</b>
<b>2 Expenses</b>						
(a) Employee benefits expense	62.12	71.85	60.28	206.94	179.73	274.28
(b) Clearing & settlement charges	162.56	166.06	118.73	477.99	308.58	458.23
(c) Depreciation and amortisation expense	75.75	75.90	60.19	225.49	164.34	259.72
(d) Other expenses (Refer note 3)	491.58	376.93	325.01	1,216.10	856.04	1,288.55
<b>Total expenses</b>	<b>792.01</b>	<b>690.74</b>	<b>564.21</b>	<b>2,126.52</b>	<b>1,508.69</b>	<b>2,280.78</b>
<b>3 Profit before tax (1-2)</b>	<b>2,042.45</b>	<b>3,070.71</b>	<b>1,550.51</b>	<b>7,027.08</b>	<b>4,122.19</b>	<b>6,103.82</b>
<b>4 Less: Income Tax expense</b>						
(a) Current tax	451.00	690.00	388.00	1,573.00	1,007.00	1,470.00
(b) Deferred tax	23.37	12.51	1.00	30.82	11.69	12.71
<b>Total Tax expense</b>	<b>474.37</b>	<b>702.51</b>	<b>389.00</b>	<b>1,603.82</b>	<b>1,018.69</b>	<b>1,482.71</b>
<b>5 Profit for the period / year (3-4)</b>	<b>1,568.08</b>	<b>2,368.20</b>	<b>1,161.51</b>	<b>5,423.26</b>	<b>3,103.50</b>	<b>4,621.11</b>
<b>6 Other Comprehensive Income (OCI)</b>						
(a) <i>Items that will be reclassified to profit or loss (net of tax)</i>						
Changes in fair value of FVOCI debt instruments	3.95	(1.78)	(6.78)	(27.31)	(2.81)	(12.61)
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>						
Remeasurements of post-employment benefit obligations	0.82	0.36	1.37	0.03	(1.88)	(0.87)
Changes in fair value of FVOCI equity instruments	(2.87)	(1.07)	0.95	(1.85)	(1.28)	(3.87)
<b>Total other comprehensive income for the period / year, net of taxes</b>	<b>1.90</b>	<b>(2.49)</b>	<b>(4.46)</b>	<b>(29.13)</b>	<b>(5.97)</b>	<b>(17.35)</b>
<b>7 Total comprehensive income for the period / year (5+6)</b>	<b>1,569.98</b>	<b>2,365.71</b>	<b>1,157.05</b>	<b>5,394.13</b>	<b>3,097.53</b>	<b>4,603.76</b>
<b>8 Paid-up equity share capital (Face Value ₹ 1 per share)</b>	49.50	49.50	49.50	49.50	49.50	49.50
<b>9 Reserves (excluding Revaluation Reserve)</b>						11,498.30
<b>10 Earnings per equity share (EPS) (Face Value ₹ 1 each)</b>						
- Basic and Diluted (₹)	31.68*	47.84*	23.47*	109.56*	62.70*	93.36

\* Not annualised

Notes :

- 1 The above Standalone unaudited Financial Results for the quarter and nine months ended December 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on February 7, 2023. The financial results for the quarter and nine months ended December 31, 2022 were reviewed by the Statutory Auditors of the Company.
- 2 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 Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial results has disclosed the segment information as to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".
- 3 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, SEBI in September 2016 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, when 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 the Company and to some of its employees, including former employees, in respect of the alleged preferential access to tick-by-tick data in Company's Colocation facility, Dark Fiber 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 ₹ 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 the Company from accessing securities market, through issuance of equity, debt or other securities for a period of six months from the date of the order (referred to as "Other Directives"); in the second order it passed a direction to deposit a sum of ₹ 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 the Company's Colocation facility, Dark Fiber point to point connectivity and Governance and conflict of interest matters, SEBI has passed orders and vide the said orders levied monetary penalty of ₹ 1 crore, ₹ 7 crores and ₹ 1 crore, respectively.

The Company having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with Securities Appellate Tribunal (SAT). SAT vide its interim order has stayed the disgorgement of the amount, however it directed the Company to transfer the amount of ₹ 624.89 crore in the Colocation matter and ₹ 62.58 crore in the Dark Fiber matter totaling to ₹ 687.47 crore to SEBI which was remitted by the Company on June 13, 2019. Further, the Company 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.

While the Company's appeal in respect of the colocation matter had been heard by the Hon'ble SAT and the same was reserved for orders, the Company 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 the Company on June 17, 2021. Accordingly, as at December 31, 2022, a total amount of ₹ 1,107.47 crore had been deposited by the Company 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.

With respect to Adjudication orders, SAT, in an appeal filed by the Company stayed the penalty levied by SEBI in relation to preferential access to tick-by-tick data at the Company's Colocation facility, Dark Fiber point to point connectivity and Governance and conflict of interest matters.

Subsequent to the quarter ended December 31, 2022, Hon'ble SAT has passed order dated January 23, 2023, on the Colocation matter, while upholding the Other Directives of SEBI, setting aside the SEBI direction for disgorgement of amount of ₹ 624.89 crores (along with interest at the rate of 12% p.a.) and imposing a penalty of ₹ 100 crores on the Company as a deterrent for the lack of due diligence. The Company has provided for this penalty amount of ₹ 100 crores included in other expenses in the financial results for the quarter and nine months ended December 31, 2022. This penalty amount is to be adjusted by SEBI against the disgorgement amount already deposited by NSE, and the balance deposit is to be refunded by SEBI within six weeks along with interest.

The Company believes that it has strong grounds to contest each of the above orders in respect of the Dark Fiber point to point connectivity and Governance and conflict of interest related matters, including monetary liability and Adjudication orders passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial results as of and for the quarter and nine months ended December 31, 2022.

- 4 The Company 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 the former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the Company with an alleged third party by former Managing Director & Chief Executive Officer. During the previous year, SEBI vide order dated February 11, 2022 levied a penalty of ₹ 2 Crores, which has been paid by the Company. In this regard, including in respect of colocation matters, certain investigating agencies have been making inquiries and seeking various information, data etc. from the Company, which is being provided.
- 5 On February 24, 2021, the Company'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 the Company, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. The Company has submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021, directed NSE to pay financial disincentive of ₹ 25 lakhs and the same was paid by the Company on July 12, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021, to the Company 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) and 7(3)(c) of SECC Regulation 2018 for which detailed response was filed and hearing has been completed. In this regard, the Company has taken necessary remedial actions and the Company has filed consent application with SEBI on August 31, 2021, against which preliminary hearing on maintainability of the said consent application has taken place on May 4, 2022, and August 24, 2022. The Company was directed to file written submission against the same which has been filed with SEBI. The Company is of the view that pending conclusion of this matter with SEBI, a reliable estimate of any obligation 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, 2022.

- 6 National Stock Exchange (NSE) and Singapore Stock Exchange (SGX) had entered into a collaboration agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect, which will bring together international and Gujarat International Finance Tec City (GIFT) participants to create a bigger liquidity pool for Nifty Products in Gift City and to develop the infrastructure for the connect and ensure member readiness prior to its implementation. Further, NSE IFSC Clearing Corporation Limited entered into an operational agreement on March 28, 2022 with SGX India Connect IFSC Private Limited, Singapore Exchange Derivatives Clearing Limited (SGX DC) and NSE IFSC Limited to operationalise the NSE IFSC-SGX Connect. The same has been launched on July 29, 2022. As per this operational agreement, NSE IFSC CC Limited 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 NSE IFSC. For this, during the quarter ended September 30, 2022, NSE IFSC CC Limited has availed Bank Guarantee facility from Standard Chartered Bank to the tune of USD 20 million (₹ 163.10 crore), in respect of which the Company has provided corporate guarantee to the Standard Chartered Bank.
- 7 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 : Gandhinagar  
Date : February 7, 2023

Ashishkumar Chauhan  
Managing Director & CEO  
DIN : 00898469