

## 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 ended June 30, 2023, 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 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.
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 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

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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**

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, 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 other lapses in compliance. The Company had recognized such penalty amount of Rs 100 crores. In this regard, SEBI filed an appeal before the Hon'ble Supreme Court, which directed SEBI to refund Rs. 300 crores to the Company vide its order dated March 20, 2023. In case SEBI's appeal is allowed by the Hon'ble Supreme Court, the Company is required to repay such amount of Rs. 300 crores to SEBI. SAT vide order dated July 13, 2023, quashed the SEBI Adjudication order of levying monetary penalty of Rs. 1 crore in relation to the preferential access to tick-by-tick data at the Company's Colocation facility. The Dark Fiber point to point connectivity and Governance related matters and the Adjudication Matters relating to Dark Fiber Connectivity and Governance related matters continue to be under appeal before with Hon'ble SAT. The future outcome of the above matters is uncertain at this stage. Based on the legal opinion obtained by the Company, except for the penalty amount of Rs 100 crores mentioned above, no provision for any liability has been recognized towards the above matters in the Statement, which continue to be disclosed as contingent liability. Our conclusion is not modified in respect of this matter.

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



Amit Borkar  
Partner  
Membership Number: 109846  
UDIN: 23109846BGYFLY3193

Place: Pune  
Date: July 27, 2023



NATIONAL STOCK EXCHANGE OF INDIA LIMITED  
CIN : U67120MH1992PLC069769



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs. in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Year ended
	30.06.2023 (Unaudited)	31.03.2023 (Refer note 1)	30.06.2022 (Unaudited)	31.03.2023 Audited
<b>1 Income</b>				
(a) Revenue from operations	2,832.57	3,294.89	2,487.74	11,181.03
(b) Other income	286.70	243.70	69.95	1,511.16
<b>Total Income</b>	<b>3,119.27</b>	<b>3,538.59</b>	<b>2,557.69</b>	<b>12,692.19</b>
<b>2 Expenses</b>				
(a) Employee benefits expense	83.33	73.66	72.97	280.60
(b) Clearing & settlement charges	213.20	201.70	149.37	679.69
(c) Depreciation and amortisation expense	78.72	76.72	73.84	302.21
(d) Other expenses	543.84	557.71	347.59	1,773.81
<b>Total expenses (excluding contribution to Core Settlement Guarantee Fund)</b>	<b>919.09</b>	<b>909.79</b>	<b>643.77</b>	<b>3,036.31</b>
<b>3 Profit before contribution to Core SGF and tax (1-2)</b>	<b>2,200.18</b>	<b>2,628.80</b>	<b>1,913.92</b>	<b>9,655.88</b>
<b>4 Contribution to Core Settlement Guarantee Fund (Core SGF) (Refer note 7)</b>	<b>(50.49)</b>	<b>(203.45)</b>	<b>-</b>	<b>(203.45)</b>
<b>5 Profit before tax (3-4)</b>	<b>2,149.69</b>	<b>2,425.35</b>	<b>1,913.92</b>	<b>9,452.43</b>
<b>6 Less: Income Tax expense</b>				
(a) Current tax	486.00	641.00	432.00	2,214.00
(b) Deferred tax expense / (benefit)	65.80	(25.29)	(5.06)	5.53
<b>Total Tax expense</b>	<b>551.80</b>	<b>615.71</b>	<b>426.94</b>	<b>2,219.53</b>
<b>7 Profit for the period / year (5-6)</b>	<b>1,597.89</b>	<b>1,809.64</b>	<b>1,486.98</b>	<b>7,232.90</b>
<b>8 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	9.88	5.71	(29.48)	(21.60)
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>				
Remeasurements of post-employment benefit obligations	(2.91)	0.80	(1.15)	0.83
Changes in fair value of FVOCI equity instruments	2.00	(2.67)	2.09	(4.52)
<b>Total other comprehensive income / (loss) for the period / year, net of taxes</b>	<b>8.97</b>	<b>3.84</b>	<b>(28.54)</b>	<b>(25.29)</b>
<b>9 Total comprehensive income for the period / year (7+8)</b>	<b>1,606.86</b>	<b>1,813.48</b>	<b>1,458.44</b>	<b>7,207.61</b>
10 Paid-up equity share capital (Face Value Rs. 1 per share)	49.50	49.50	49.50	49.50
11 Reserves (excluding Revaluation Reserve)				16,626.91
12 Earnings per equity share (EPS) ( Face Value Rs. 1 each) - Basic and Diluted (Rs. )	32.28*	36.56*	30.04*	146.12
* Not annualised				

Notes :

- 1 The above Standalone Unaudited Financial Results for the quarter ended June 30, 2023, have been reviewed by the Audit Committee in its meeting held on July 26, 2023 and approved by the Board of Directors in its meeting held on July 27, 2023. The financial results for the quarter ended June 30, 2023, were reviewed by the Statutory Auditors of the Company. The figures for the quarter ended March 31, 2023 are the balancing figures between audited figures in respect of full financial year and published year to date figures upto the third quarter of the respective financial year.
- 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 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, 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 the Company'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 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. 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 the Company's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest matters, SEBI has passed orders and vide the said orders levied monetary penalty of Rs. 1 crore, Rs. 7 crore and Rs. 1 crore, respectively.

The Company having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with SAT. SAT vide its interim order has stayed the disgorgement of the amount, however it directed the Company to transfer the amount of Rs. 624.89 crore in the Colocation matter and Rs. 62.58 crore in the Dark Fibre matter totaling to Rs. 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 on December 31, 2022, a total amount of Rs.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.

Hon'ble SAT has passed 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. The Company 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. The returnable date for the matter is in the month of September 2023.

SAT vide its order dated January 23, 2023 directed to the Whole Time Member of SEBI to consider the charge of connivance and collusion of OPG and its Directors with any employee/officials of NSE. Accordingly, during the quarter, the Company has received Show Cause Notice (SCN) dated May 17, 2023 on the said matter. The Company has filed the settlement application in response to the said SCN vide letter dated July 12, 2023. The Company is of the view that pending conclusion of this matter with SEBI, no provision /adjustment to this effect is required to be made in the financial statements for the quarter ended June 30, 2023.

With respect to adjudication orders, SAT, in an appeal filed by the Company stayed the penalty levied by SEBI in relation to Dark Fibre point to point connectivity and Governance and conflict of interest matters and as regards preferential access to tick-by-tick data at the Company's Colocation facility subsequent to the quarter ended June 30, 2023, SAT vide order dated July 12, 2023, quashed the SEBI order levying monetary penalty of Rs. 1 crore. Hearings in the Dark Fibre matter before SAT has been concluded and is now reserved for Orders.

The Company believes that it has strong grounds to contest each of the above orders 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 ended June 30, 2023.

- 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 a former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the Company with an alleged third party by the former Managing Director & Chief Executive Officer. The Company filed a Settlement Application with SEBI on December 11, 2019, which was returned to NSE on October 27, 2020. During the year ended March 31, 2022, SEBI vide order dated February 11, 2022, levied penalty of Rs. 2 Crore which was paid by the Company. In this direction, 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 (NCL) and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. The Company had 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 Rs. 25 lakhs and the same was paid by the Company on July 12, 2021. Further, in this regard, SEBI had 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 a detailed response was filed by the Company. In this regard, the Company has taken necessary remedial actions and has filed consent application with SEBI on September 3, 2021 and revised consent terms on March 19, 2023. SEBI accepted the revised terms for settlement of the same for payment of Rs. 49.67 crores. The Company paid the settlement amount of Rs. 49.67 crores in 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.
- 6 During the year ended March 31, 2023, the Company received a show cause notice vide letter dated February 28, 2023, from SEBI on the Trading Access Point (TAP) matter. The Company has filed the settlement application ("the application") in response to the said SCN vide letter dated April 28, 2023. The said application is in continuance of the earlier consent application filed by the Company during the financial year ended March 31, 2022. In the application, the Company 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. The Company'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 ended June 30, 2023.

- 7 The Board of Directors of the Company in their meeting on March 23, 2023, approved the voluntary contribution of Rs. 203.45 crores 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. Accordingly, the Company had recognized an expense of Rs. 203.45 Crores towards contribution to Core SGF, in the Statement of Profit and Loss for the year ended March 31, 2023. During the quarter ended June 30, 2023, the Company has recognised an expense of Rs. 50.49 crores towards contribution to Core SGF in the financial results, of which Rs. 36 crores was paid during the quarter ended June 30, 2023, and balance Rs. 14.49 crores paid on July 18, 2023, to the fund managed by NCL.
- 8 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 : July 27, 2023

Ashishkumar Chauhan  
Managing Director & CEO  
DIN : 00898469