

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 unaudited standalone financial results of National Stock Exchange of India Limited (the "Company") for the quarter and the half year ended September 30, 2022 which are included in the accompanying Statement of Standalone Unaudited Financial Results, the Statement of Standalone Unaudited Assets and Liabilities as on that date and the Statement of Standalone Unaudited Cash Flows for the half-year ended on that date (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 of Standalone Unaudited Financial Results, relating to the contingent liability, that describes the Orders issued by the Securities and Exchange Board of India ("SEBI") 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) has 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. SEBI further directed the Company to undertake certain remedial measures, actions and imposed restrictions. The Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above Orders. Adjudication hearings before SEBI have been completed for all the above matters and SEBI has 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 Company has deposited Rs 1,107.47 crores with SEBI in respect of these Orders. The Company has filed appeals to contest the aforesaid Orders, including adjudication Orders with the Hon'ble Securities Appellate Tribunal, the future

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outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Company, no provision for any liability has been made towards the aforesaid demand from the Orders, including any monetary penalty from the pending as well as concluded Adjudication proceedings in the Statement of Standalone Unaudited Financial Results. 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: 22105869BCDGAV3396
Place: Mumbai
Date: November 05, 2022



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Half year ended		Year ended
	30.09.2022 Unaudited	30.06.2022 Unaudited	30.09.2021 Unaudited	30.09.2022 Unaudited	30.09.2021 Unaudited	31.03.2022 Audited
1 Income						
(a) Revenue from operations	2,769.84	2,487.74	1,655.53	5,257.58	3,235.36	7,762.80
(b) Other income	991.61	69.95	187.93	1,061.56	280.80	621.80
Total Income	3,761.45	2,557.69	1,843.46	6,319.14	3,516.16	8,384.60
2 Expenses						
(a) Employee benefits expense	71.85	72.97	58.76	144.82	119.45	274.28
(b) Clearing & settlement charges	166.06	149.37	98.00	315.43	189.85	458.23
(c) Depreciation and amortisation expense	75.90	73.84	54.27	149.74	104.15	259.72
(d) Other expenses	376.93	347.59	316.46	724.52	531.03	1,288.55
Total expenses	690.74	643.77	527.49	1,334.51	944.48	2,280.78
3 Profit before tax (1-2)	3,070.71	1,913.92	1,315.97	4,984.63	2,571.68	6,103.82
4 Less: Income Tax expense						
(a) Current tax	690.00	432.00	297.00	1,122.00	619.00	1,470.00
(b) Deferred tax	12.51	(5.06)	13.98	7.45	10.69	12.71
Total Tax expense	702.51	426.94	310.98	1,129.45	629.69	1,482.71
5 Profit for the period / year (3-4)	2,368.20	1,486.98	1,004.99	3,855.18	1,941.99	4,621.11
6 Other Comprehensive Income (OCI)						
(a) <i>Items that will be reclassified to profit or loss (net of tax)</i>						
Changes in fair value of FVOCI debt instruments	(1.78)	(29.48)	3.05	(31.26)	3.97	(12.61)
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>						
Remeasurements of post-employment benefit obligations	0.36	(1.15)	(0.31)	(0.79)	(3.25)	(0.87)
Changes in fair value of FVOCI equity instruments	(1.07)	2.09	0.24	1.02	(2.23)	(3.87)
Total other comprehensive income for the period / year, net of taxes	(2.49)	(28.54)	2.98	(31.03)	(1.51)	(17.35)
7 Total comprehensive income for the period / year (5+6)	2,365.71	1,458.44	1,007.97	3,824.15	1,940.48	4,603.76
8 Paid-up equity share capital (Face Value ₹ 1 per share)	49.50	49.50	49.50	49.50	49.50	49.50
9 Reserves (excluding Revaluation Reserve)						11,498.30
10 Earnings per equity share (EPS) (Face Value ₹ 1 each)						
- Basic and Diluted (₹)	47.84*	30.04*	20.30*	77.88*	39.23*	93.36

* Not annualised

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

STATEMENT OF STANDALONE UNAUDITED ASSETS AND LIABILITIES

(₹ in crores unless otherwise stated)

Particulars	As at 30.09.2022 (Unaudited)	As at 31.03.2022 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	810.83	818.27
Right of Use Assets	132.73	138.00
Capital work-in-progress	9.33	69.55
Other intangible assets	42.54	48.47
Intangible assets under development	60.50	52.50
Investment in subsidiaries and associates	1,171.67	1,161.67
Financial assets		
- Investments	3,100.65	2,590.39
- Other financial assets		
Non-current bank balances	47.19	94.99
Others	10.19	9.59
Income tax assets (net)	409.61	339.75
Other non-current assets	1,146.98	1,124.15
Total non-current assets	6,942.22	6,447.33
Current assets		
Financial assets		
- Investments	6,301.69	6,745.65
- Trade receivables	1,513.67	1,336.17
- Cash and cash equivalents	340.82	102.57
- Bank balances other than cash and cash equivalents	3,399.05	1,750.23
- Other financial assets	151.73	165.68
Other current assets	248.87	174.05
Total current assets	11,955.83	10,274.35
TOTAL ASSETS	18,898.05	16,721.68
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	49.50	49.50
Other equity	13,243.45	11,498.30
TOTAL EQUITY	13,292.95	11,547.80
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	69.55	74.02
Other financial liabilities	16.02	15.49
Provisions	31.61	32.82
Deferred tax liabilities (net)	8.68	12.89
Contract Liabilities	66.00	58.11
Other non-current liabilities	5.41	5.41
Total non-current liabilities	197.27	198.74
Current liabilities		
Financial liabilities		
Lease liabilities	9.50	8.70
Deposits	1,119.93	1,086.18
Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	0.56	2.21
Total Outstanding dues of creditors other than micro enterprises and small enterprises	284.69	214.20
Other financial liabilities	459.87	542.47
	1,874.55	1,853.76
Contract Liabilities	2.98	2.69
Provisions	77.06	88.45
Income tax liabilities (net)	521.39	228.60
Other current liabilities	2,931.85	2,801.64
Total current liabilities	5,407.83	4,975.14
TOTAL LIABILITIES	5,605.10	5,173.88
TOTAL EQUITY AND LIABILITIES	18,898.05	16,721.68

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

STATEMENT OF STANDALONE UNAUDITED CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in Crores)

	For the half year ended 30.09.2022 (Unaudited)	For the half year ended 30.09.2021 (Unaudited)
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	4,984.63	2,571.68
Adjustments for		
Depreciation and amortisation expense	149.74	104.15
Interest on lease liabilities	3.63	2.89
(Reversal)/ Provision for doubtful debts	1.09	(0.72)
Bad debts written off	2.21	0.35
Interest income from financial assets at amortised cost	(92.14)	(57.40)
Interest income from financial assets designated at fair value through other comprehensive income	(38.15)	(22.09)
Income on Investments	(22.24)	(27.85)
Dividend income	(833.28)	(80.11)
Rent income	(0.66)	(2.34)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	(65.00)	(77.61)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	(20.06)	(31.74)
Net profit on sale of property, plant and equipment	(0.04)	-
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(180.81)	(156.14)
Increase/(Decrease) in trade payables	68.84	(16.63)
(Increase)/Decrease in other financial assets	37.06	17.75
(Increase)/Decrease in other assets	(84.87)	(421.45)
Increase/(Decrease) in other financial liabilities	(5.82)	20.01
Increase/(Decrease) in contract liabilities	8.17	20.46
Increase/(Decrease) in provisions	(13.65)	(18.54)
(Refund) /Proceeds of deposits from trading members / applicants	33.75	18.97
Increase/(Decrease) in other liabilities	130.21	180.03
CASH GENERATED FROM OPERATIONS	4,062.61	2,023.67
Income taxes paid	(899.07)	(450.74)
NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)	3,163.54	1,572.93
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment & intangibles	(167.92)	(147.32)
Proceeds from rent income	0.66	2.34
Proceeds from property, plant and equipment	0.05	-
Payment for investment in a subsidiary and associate	(10.00)	(48.50)
Proceeds from sale of investments	14,646.80	12,982.16
Payment for purchase of investments	(14,671.81)	(13,412.62)
Proceeds from fixed deposits and certificate of deposits with banks	2,918.75	257.23
Proceeds from fixed deposits with financial institutions	-	83.10
Payment for investment in fixed deposits and certificate of deposits with banks	(4,532.31)	(159.81)
Interest received	143.48	84.04
Dividend received	833.28	80.11
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)	(839.02)	(279.27)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,078.94)	(1,225.13)
Payment of lease liability	(3.70)	(4.09)
Interest on lease liabilities	(3.63)	(2.89)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)	(2,086.27)	(1,232.11)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	238.25	61.55
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	102.57	39.42
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	340.82	100.97
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	238.25	61.55
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following		
Balances with banks		
In current accounts	96.42	100.96
Government Securities	119.94	-
Commercial Papers	124.45	-
Cash in hand	0.01	0.01
Balances as per statement of cash flows	340.82	100.97

Notes :

- 1 The above Standalone Financial Results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit Committee in its meeting held on November 4, 2022 and approved by the Board of Directors in its meeting held on November 5, 2022. The financial results for the quarter and half year ended September 30, 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 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 ₹ 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 ₹ 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. Hearing before SEBI in respect of all three Adjudication matters have been completed. 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 levied monetary penalty of ₹ 1 crore, ₹ 7 crore and ₹ 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 ₹ 624.89 crore in the Colocation matter and ₹ 62.58 crore in the Dark Fibre matter totalling to ₹ 687.47 crore to SEBI which has been remitted by the Company on June 13, 2019. Further, the Company was also directed to continue to transfer all revenues emanating from its co-location facility to a separate bank account. With respect to Governance and 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 ₹ 420 crore into an interest-bearing account with SEBI which has been remitted by the Company on June 17, 2021. Accordingly, as at September 30, 2022, a total amount of ₹ 1,107.47 crore has been deposited by the Company with SEBI. SAT directed the parties for a refresher hearing which has been concluded and the final order is now reserved by SAT.

With respect to adjudication orders, SAT, in an appeal filed by the Company also stayed the penalty levied by SEBI in relation 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.

The Company believes that it has strong grounds to contest each of the above orders including monetary liability (including adjudication proceedings) 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 half year ended September 30, 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 Crore which has been paid by the Company. In this direction, 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 is 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 half year ended September 30, 2022.
- 6 The Company has paid final dividend of ₹ 2,079 crore during the quarter ended September 30, 2022 after seeking approval from the shareholders of the Company in the annual general meeting held on July 12, 2022.

- 7 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), for this the Company has provided corporate guarantee to the Standard Chartered Bank.
- 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 : November 5, 2022

Ashishkumar Chauhan
Managing Director & CEO
DIN : 00898469