

# 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 ended June 30, 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 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 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

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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**

as well as concluded Adjudication proceedings in the 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

A handwritten signature in black ink, appearing to read 'Sumit Seth', written over a horizontal line.

Sumit Seth  
Partner  
Membership Number: 105869  
UDIN: 22105869AOUPCP5201  
Place: Mumbai  
Date: August 11, 2022



NATIONAL STOCK EXCHANGE OF INDIA LIMITED  
CIN : U67120MH1992PLC069769



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(₹ in crores unless otherwise stated)

| Sr. No. Particulars  | Quarter ended           |                              |                         | Year ended            |
|--|-------------------------|------------------------------|-------------------------|-----------------------|
|  | 30.06.2022<br>Unaudited | 31.03.2022<br>(Refer note 1) | 30.06.2021<br>Unaudited | 31.03.2022<br>Audited |
| <b>1 Income</b>  |                         |                              |                         |                       |
| (a) Revenue from operations  | 2,487.74                | 2,501.31                     | 1,579.83                | 7,762.80              |
| (b) Other income   | 69.95                   | 252.41                       | 92.87                   | 621.80                |
| <b>Total Income</b>  | <b>2,557.69</b>         | <b>2,753.72</b>              | <b>1,672.70</b>         | <b>8,384.60</b>       |
| <b>2 Expenses</b>  |                         |                              |                         |                       |
| (a) Employee benefits expense  | 72.97                   | 94.55                        | 60.69                   | 274.28                |
| (b) Clearing & settlement charges  | 149.37                  | 149.65                       | 91.85                   | 458.23                |
| (c) Depreciation and amortisation expense  | 73.84                   | 95.38                        | 49.88                   | 259.72                |
| (d) Other expenses   | 347.59                  | 432.51                       | 214.57                  | 1,288.55              |
| <b>Total expenses</b>  | <b>643.77</b>           | <b>772.09</b>                | <b>416.99</b>           | <b>2,280.78</b>       |
| <b>3 Profit before tax (1-2)</b>   | <b>1,913.92</b>         | <b>1,981.63</b>              | <b>1,255.71</b>         | <b>6,103.82</b>       |
| <b>4 Less: Income Tax expense</b>  |                         |                              |                         |                       |
| (a) Current tax  | 432.00                  | 463.00                       | 322.00                  | 1,470.00              |
| (b) Deferred tax   | (5.06)                  | 1.02                         | (3.29)                  | 12.71                 |
| <b>Total Tax expense</b>   | <b>426.94</b>           | <b>464.02</b>                | <b>318.71</b>           | <b>1,482.71</b>       |
| <b>5 Profit for the period / year (3-4)</b>  | <b>1,486.98</b>         | <b>1,517.61</b>              | <b>937.00</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                                      | (29.48)                 | (9.80)                       | 0.92                    | (12.61)               |
| (b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>        |                         |                              |                         |                       |
| Remeasurements of post-employment benefit obligations                                | (1.15)                  | 1.01                         | (2.94)                  | (0.87)                |
| Changes in fair value of FVOCI equity instruments                                    | 2.09                    | (2.59)                       | (2.47)                  | (3.87)                |
| <b>Total other comprehensive income for the period / year, net of taxes</b>          | <b>(28.54)</b>          | <b>(11.38)</b>               | <b>(4.49)</b>           | <b>(17.35)</b>        |
| <b>7 Total comprehensive income for the period / year (5+6)</b>                      | <b>1,458.44</b>         | <b>1,506.23</b>              | <b>932.51</b>           | <b>4,603.76</b>       |
| 8 Paid-up equity share capital (Face Value ₹ 1 per share)                            | 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)<br>- Basic and Diluted (₹) | 30.04*                  | 30.66*                       | 18.93*                  | 93.36                 |
| * Not annualised   |                         |                              |                         |                       |

Notes :

- 1 The above Standalone Financial Results for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on August 11, 2022. The financial results for the quarter ended June 30, 2022 were reviewed by the Statutory Auditors of the Company. The figures for the quarter ended March 31, 2022 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 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 June 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 and Dark Fibre point to point connectivity. As regards adjudication order in relation to Governance and conflict of interest matters, an appeal has been filed with SAT, hearing for which is awaited.

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 ended June 30, 2022.

- 4 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 is filed and hearing is underway. 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. 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 quarter ended June 30, 2022.
- 5 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 penalty of ₹ 2 Crore which has been 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.
- 6 The Company was in receipt of SEBI Adjudication SCN dated January 07, 2021 and supplementary SCN dated May 6,2021 with respect to the default of Karvy Stock Broking Limited, erstwhile trading member registered with the Company. The Company had filed its detailed response with SEBI. The Company has filed a consent application in response to the said SCNs issued by SEBI which was returned to NSE on April 6, 2022. SEBI vide order dated April 12, 2022 passed the order levying penalty of ₹ 2 crore. The Company has preferred an appeal against the said SEBI order and Hon'ble SAT vide its interim order has stayed the effect and operation of the SEBI order. Based on the legal view, the Company believes that it has strong ground to contest the said order and accordingly no provision / adjustment to this effect has been made in the financial results as of and for the quarter ended June 30, 2022.
- 7 The Company in its annual general meeting held on July 12, 2022 has approved the payment of final dividend for the financial year ended March 31, 2022 of ₹ 42/- per equity share of ₹ 1/- each.
- 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 : August 11, 2022

Ashishkumar Chauhan  
Managing Director & CEO  
DIN : 00898469