

# Price Waterhouse & Co Chartered Accountants LLP

To  
Board of Directors  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400051.

1. We have reviewed the unaudited financial results of National Stock Exchange of India Limited (the "Company") for the quarter and the half year ended September 30, 2020 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 Corporation) 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 4 to the Statement, 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, which are currently pending for hearing before SEBI. The Company

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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**

has deposited Rs 687.47 crores with SEBI in respect of these orders and continues to transfer revenues emanating from the colocation facility to a separate bank account, which are then invested along with accruals there on have been shown under restricted/earmarked investments and bank balances. The Company has filed appeals to contest the aforesaid 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 Adjudication proceedings in 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: 20105869AAAABG2358  
Place: Mumbai  
Date: November 6, 2020



## NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Half year ended		Year ended
	30.09.2020 Unaudited	30.06.2020 Unaudited	30.09.2019 Unaudited	30.09.2020 Unaudited	30.09.2019 Unaudited	31.03.2020 Audited
<b>1 Income</b>						
(a) Revenue from operations	1,100.40	934.51	696.21	2,034.91	1,322.09	2,832.43
(b) Other Income	209.02	140.17	133.32	349.19	308.32	397.46
<b>Total Income</b>	<b>1,309.42</b>	<b>1,074.68</b>	<b>829.53</b>	<b>2,384.10</b>	<b>1,630.41</b>	<b>3,229.89</b>
<b>2 Expenses</b>						
(a) Employee benefits expense	55.68	54.58	48.95	110.26	98.57	206.19
(b) Clearing & settlement charges	66.25	54.53	44.03	120.78	81.04	178.66
(c) Depreciation and amortisation expense	37.40	34.21	32.30	71.61	62.83	132.40
(d) Other expenses	164.46	143.08	122.50	307.54	241.71	595.88
<b>Total expenses (excluding contribution to Core Settlement Guarantee Fund)</b>	<b>323.79</b>	<b>286.40</b>	<b>247.78</b>	<b>610.19</b>	<b>484.15</b>	<b>1,113.13</b>
<b>3 Profit before contribution to Core SGF and tax (1-2)</b>	<b>985.63</b>	<b>788.28</b>	<b>581.75</b>	<b>1,773.91</b>	<b>1,146.26</b>	<b>2,116.76</b>
4 Contribution to Core Settlement Guarantee Fund (Core SGF)	-	(6.99)	-	(6.99)	-	(62.08)
<b>5 Profit before tax (3-4)</b>	<b>985.63</b>	<b>781.29</b>	<b>581.75</b>	<b>1,766.92</b>	<b>1,146.26</b>	<b>2,054.68</b>
6 Less: Income Tax expenses						
(a) Current tax	209.00	170.00	79.00	379.00	251.00	510.00
(b) Deferred tax	(1.80)	6.55	(0.43)	4.75	(2.08)	(15.78)
<b>Total Tax expenses</b>	<b>207.20</b>	<b>176.55</b>	<b>78.57</b>	<b>383.75</b>	<b>248.92</b>	<b>494.22</b>
<b>7 Profit for the period / year (5-6)</b>	<b>778.43</b>	<b>604.74</b>	<b>503.18</b>	<b>1,383.17</b>	<b>897.34</b>	<b>1,560.46</b>
<b>8 Other Comprehensive Income</b>						
(a) <i>Items that will be reclassified to profit or loss (net of tax)</i>						
Changes in fair value of FVOCI debt instruments	(0.35)	12.56	4.61	12.21	16.52	20.14
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>						
Remeasurements of post-employment benefit obligations	1.70	(2.87)	(0.19)	(1.17)	(1.60)	(4.52)
Changes in fair value of FVOCI equity instruments	(0.70)	0.80	4.07	0.10	6.13	(8.91)
<b>Total other comprehensive income / (loss) for the period / year, net of taxes</b>	<b>0.65</b>	<b>10.49</b>	<b>8.49</b>	<b>11.14</b>	<b>21.05</b>	<b>6.71</b>
<b>9 Total comprehensive income for the period / year (7+8)</b>	<b>779.08</b>	<b>615.23</b>	<b>511.67</b>	<b>1,394.31</b>	<b>918.39</b>	<b>1,567.17</b>
10 Paid-up equity share capital (Face Value ₹ 1 per share)	49.50	49.50	49.50	49.50	49.50	49.50
11 Reserves (excluding Revaluation Reserve)						6,866.58
12 Earnings per equity share (EPS) ( Face Value ₹ 1 each) - Basic and Diluted (₹)	15.73*	12.22 *	10.17 *	27.94 *	18.13 *	31.52
* Not annualised						

**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

**STATEMENT OF STANDALONE UNAUDITED ASSETS AND LIABILITIES**

(₹ in crores unless otherwise stated)

Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	487.49	444.28
Right of Use Assets	96.09	98.60
Capital work-in-progress	1.51	33.19
Other intangible assets	52.05	58.57
Intangible assets under development	12.78	13.63
Investment in subsidiaries and associate	1,031.67	1,016.67
Financial assets		
- Investments	2,036.78	2,068.98
- Other financial assets		
Non-current bank balances	306.25	35.19
Others	112.93	43.82
Income tax assets (net)	375.80	374.20
Other non-current assets	742.55	722.55
<b>Total non-current assets</b>	<b>5,255.90</b>	<b>4,909.68</b>
<b>Current assets</b>		
Financial assets		
- Investments	4,535.22	2,704.05
- Trade receivables	579.90	550.92
- Cash and cash equivalents	68.03	80.90
- Bank balances other than cash and cash equivalents	372.63	194.12
- Other financial assets	235.35	533.24
Other current assets	110.95	147.73
<b>Total current assets</b>	<b>5,902.08</b>	<b>4,210.96</b>
<b>TOTAL ASSETS</b>	<b>11,157.98</b>	<b>9,120.64</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity share capital	49.50	49.50
Other equity	7,716.40	6,866.58
<b>TOTAL EQUITY</b>	<b>7,765.90</b>	<b>6,916.08</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	30.52	31.61
Provisions	11.34	22.34
Deferred tax liabilities (net)	28.95	21.50
Contract Liabilities	17.72	16.54
Other non-current liabilities	5.41	5.41
<b>Total non-current liabilities</b>	<b>93.94</b>	<b>97.40</b>
<b>Current liabilities</b>		
Financial liabilities		
Lease liabilities	4.06	4.08
Deposits	1,029.10	1,033.12
Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	0.06	0.83
Total Outstanding dues of creditors other than micro enterprises and small enterprises	115.58	125.38
Other financial liabilities	296.72	252.89
	<b>1,445.52</b>	<b>1,416.30</b>
Contract Liabilities	0.39	0.31
Provisions	54.30	64.19
Income tax liabilities (net)	207.71	148.51
Other current liabilities	1,590.22	477.85
<b>Total current liabilities</b>	<b>3,298.14</b>	<b>2,107.16</b>
<b>TOTAL LIABILITIES</b>	<b>3,392.08</b>	<b>2,204.56</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,157.98</b>	<b>9,120.64</b>

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

STATEMENT OF STANDALONE UNAUDITED CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(₹ in Crores)

	For the half year ended 30.09.2020 (Unaudited)	For the half year ended 30.09.2019 (Unaudited)
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX</b>	1,766.92	1,146.26
<b>Adjustments for</b>		
Depreciation and amortisation expense	71.61	62.83
Interest on lease liabilities	1.95	1.11
Provision for doubtful debts	2.13	3.27
Interest income from financial assets at amortised cost	(17.44)	(64.73)
Interest income from financial assets designated at fair value through other comprehensive income	(17.38)	(20.13)
Income on Investments	(43.27)	(37.20)
Dividend income	(123.06)	(134.70)
Rent income	(3.04)	(2.59)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	(103.73)	(45.53)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	(79.77)	(34.76)
<b>Change In operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	(31.11)	(29.38)
Increase/(Decrease) in trade payables	(10.57)	27.37
(Increase)/Decrease in other financial assets	(4.70)	22.54
(Increase)/Decrease in other assets	41.30	(708.13)
Increase/(Decrease) in other financial liabilities	18.90	5.29
Increase/(Decrease) in contract liabilities	1.26	0.49
Increase/(Decrease) in provisions	(22.44)	(10.97)
(Refund) /Proceeds of deposits from trading member / applicant	(4.01)	(46.68)
Increase/(Decrease) in other liabilities	1,112.37	693.75
<b>CASH GENERATED FROM OPERATIONS</b>	2,555.92	828.11
Income taxes paid	(321.40)	(261.84)
<b>NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)</b>	<b>2,234.52</b>	<b>566.27</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment & intangibles	(88.18)	(111.87)
Proceeds from rent income	3.04	2.59
Payment for investment in subsidiaries and associates	(15.00)	(10.00)
Proceeds from property, plant and equipment	-	-
Proceeds from sale of investments	9,930.38	7,977.10
Payment for purchase of investments	(11,304.18)	(8,165.46)
Proceeds from fixed deposits with banks	20.39	174.91
Proceeds from fixed deposits with financial institutions	150.00	-
Payment for investment in fixed deposits with banks	(453.84)	(159.03)
Payment for investment in deposits with financial institutions	(150.00)	(50.00)
Interest received	84.51	110.51
Dividend received	123.06	134.70
<b>NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)</b>	<b>(1,699.82)</b>	<b>(96.55)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid (including dividend distribution tax)	(544.50)	(449.71)
Payment of Lease liability	(1.12)	(1.01)
Interest on lease liabilities	(1.95)	(1.11)
<b>NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)</b>	<b>(547.57)</b>	<b>(451.83)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(12.87)</b>	<b>17.89</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>80.90</b>	<b>39.38</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>68.03</b>	<b>57.27</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(12.87)</b>	<b>17.89</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents comprise of the following		
Cash and cash equivalents	68.03	57.27
<b>Balances per statement of cash flows</b>	<b>68.03</b>	<b>57.27</b>

Notes :

- 1 The above Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2020 have been reviewed by the Audit Committee in its meeting held on November 5, 2020 and approved by the Board of Directors in its meeting held on November 6, 2020. The financial results for the quarter and half year ended September 30, 2020 were reviewed by the Statutory Auditors of the Company.
- 2 The Company has paid final dividend of ₹ 544.50 crores during the quarter ended September 30, 2020, approved by the shareholders in Annual General Meeting held on September 25, 2020.
- 3 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 MD & 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"
- 4 Securities and Exchange Board of India (SEBI) had directed NSE to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. NSE got the investigation carried out and submitted the reports to SEBI. Further, SEBI had 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. Accordingly, as of September 30, 2020, an amount of ₹ 4,606.01 crores (March 31, 2020 ₹ 3,606.73 crores) was transferred to a separate bank account and then have been invested in accordance with Board of directors approved investment policy and procedures. These investments along with accruals there on have been shown under restricted / earmarked investments and bank balances.

Three show cause notices were issued by SEBI to the Company and to some of its employees, including former employees, in respect of the preferential access to tick by tick data in Company's Colocation facility, Dark Fibre point to point connectivity and Governance and related matters which were responded to. Further, 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 has passed orders in respect of all the three show cause notices. In the first order, it has passed a direction on NSE inter alia to disgorge an amount of ₹ 624.89 crores 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 raising funds from the 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 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with other non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE has also received Adjudication notices covering the above three orders which are currently pending for hearing before SEBI.

The Company having received the orders passed by SEBI sought legal advice thereon and preferred an appeal against the said SEBI Orders. Hon'ble SAT vide its interim order has stayed the disgorgement of the amount, however it directed the Company to transfer the amount of ₹ 624.89 crores in the Colocation matter and ₹ 62.58 crores in the Dark Fibre matter totaling to ₹ 687.47 crores to SEBI which has been remitted by the Company on June 13, 2019 out of the total earmarked investments as indicated above. Accordingly, as on September 30, 2020 the total earmarked investment including income accrued thereon stood at ₹ 4,429.25 crores (March 31, 2020 ₹ 3,288.86 crores). Further, the Company is 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.

The Company believes that it has strong grounds to contest the above orders including monetary liability (including from pending adjudication proceedings) raised by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial results as of and for the half year ended September 30, 2020.

- 5 The Company is in receipt of SEBI Show Cause Notice dated October 9, 2019 (bearing reference no. MRD/DSA-I/VA/SKS/26772/1/2019) and a Supplementary notice dated December 16, 2019 (bearing no. MRD/DSA-I/VA/SKS/33591/1/2019) 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 Company with an alleged third party by former Managing Director & Chief Executive Officer. The Company has sought inspection of records from SEBI in respect of this matter and had also filed a Settlement Application. SEBI vide its letter dated October 27, 2020 has returned NSE's settlement application. However, response from SEBI in respect of the request made by NSE seeking inspection of records is awaited. In view of the same, no provision is presently made/determinable in the financial results.
- 6 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company is in process of evaluating the financial impact, if any.
- 7 The Coronavirus (COVID-19) outbreak is an unprecedented global situation, declared as a 'pandemic' by World Health Organisation. Based on the Company's current assessment, the impact of COVID-19 on its operations and the resultant financial performance is not likely to be significant. The Company has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial results. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.
- 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 6, 2020

Vikram Limaye  
Managing Director & CEO  
DIN : 00488534