

# Leadership built on trust, security and inclusiveness.



Annual Report 2022-23

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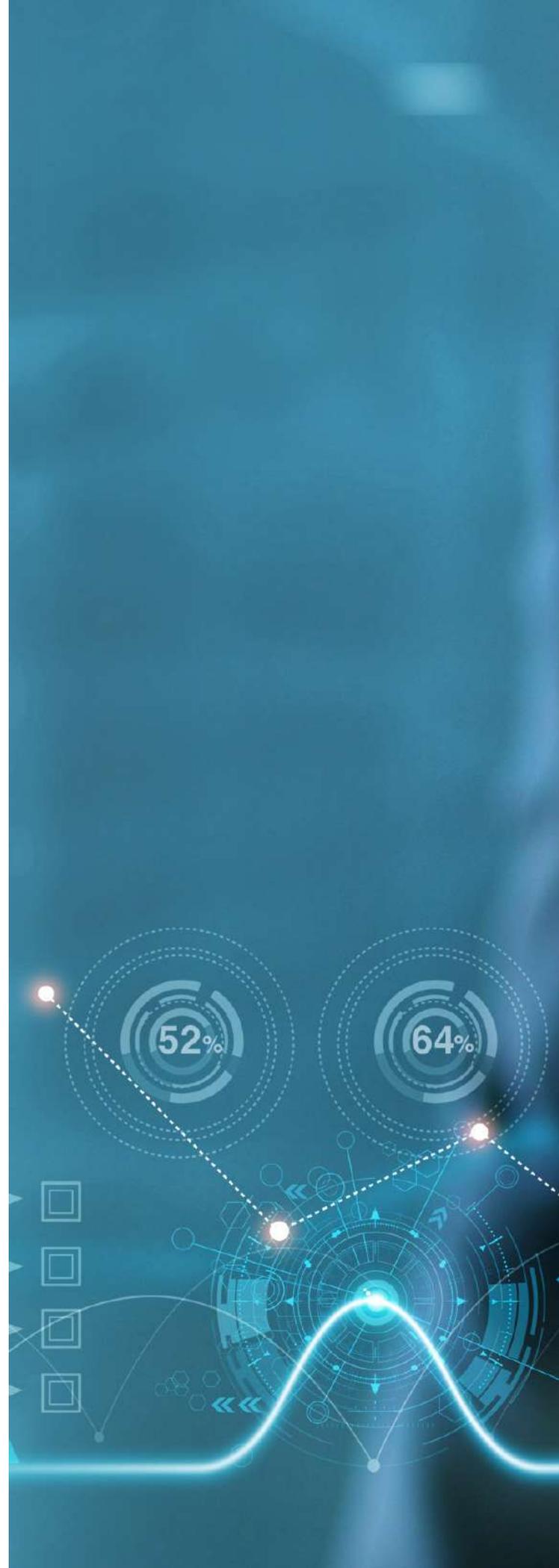
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Online Annual report  
[www.nseindia.com](http://www.nseindia.com)



# Leadership built on trust, security and inclusiveness

At National Stock Exchange Limited, we are in business for three reasons.

To enhance the trust of our stakeholders, making it possible for them to conclude that 'If it is NSE, we can trust eyes closed.'

To instill a sense of security among our stakeholders, for most of whom financial assets symbolize life savings, committed to ensure a trustworthy platform for all transactions.

To provide inclusiveness, making it possible to provide the under-invested with the opportunity to participate in national growth and widen their circle of prosperity.



# NSE at a glance

## Largest

Derivatives  
Exchange in the  
world in terms  
of number of  
contracts traded.

## Largest

Exchange of India  
– the world's fifth  
largest economy.

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# NSE at a glance

## Third

largest Exchange  
of the world  
in the capital  
market segment  
in terms of  
number of trades.

## Largest

Exchange in the  
world in terms of  
currency futures  
and options  
contracts traded.

## Ninth

Largest Exchange of the world in terms of market capitalisation.

## Sixth

largest Exchange in the world in terms of single stock options contracts traded.

## Largest

Exchange of the world, in terms of stock index options contracts traded.

## Fourth

largest Exchange in the world in terms of single stock futures contracts traded.

## Ninth

largest Exchange in the world by the number of contracts traded in stock index futures.

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Corporate snapshot

# The National Stock Exchange (NSE).

World's largest derivatives exchange for the fourth year in a row.

Third largest stock exchange in the world.

Largest stock exchange in India.





## Our rich heritage

NSE is a completely Indian brand, which holds the distinction of being one of the world's largest exchanges. It is a driving force behind India's economic growth. It provides a platform to companies to raise capital and for investors to participate in the stock market. Your Company played a pioneering role in introducing electronic trading. NSE was incorporated in 1992 and received recognition as a stock exchange from SEBI in April 1993, commencing operations in 1994. Technology, innovation, and transparency are key priorities within NSE's market ecosystem.



## Our ethos

### Vision

To continue to be a leader, facilitate the financial well-being of people.

### Mission

Committed to improve the financial well-being of people.

### Values

- Integrity
- Customer-focused culture
- Trust
- Respect and care for the individual
- Passion for excellence
- Teamwork



## Our products

### Equity

- Equity Market
- Exchange Traded Funds
- Indices
- Mutual Funds
- REITs
- InvITS
- Security Lending & Borrowing Scheme
- Sovereign Gold Bond
- Initial Public Offering (IPO)
- Institutional Placement Program (IPP)
- Offer for Sale

### Derivatives

- Equity Derivatives
- Commodity Derivatives
- Currency Derivatives
- Interest Rate Derivatives

### Fixed income and debt

- Corporate Bonds
- Electronic Debt Bidding platform (EBP)
- Negotiated Trade Reporting Platform
- Non Competitive Bidding in Government Securities
- Tri-party Repo



## Record turnover

- In FY23, exchange traded funds (ETFs) delivered a substantial increase in the daily average turnover reaching to ₹486 Crs, a 38% year on year growth.
- Sovereign Gold Bonds, traded in the secondary market, experienced a surge in the daily average turnover, reaching ₹7 Crs in FY23, a remarkable 45% year-on-year increase.
- Government securities, made available in the equity segment of NSE, delivered noteworthy growth.



## Market leader

The National Stock Exchange (NSE) held a dominant market share of nearly 93.6% in the cash segment and 98.5% in the derivatives segment in FY23. These figures highlight NSE's extensive leadership.



## Flagship indices

Nifty 50	Nifty Smallcap 250
Nifty Bank	Nifty 500
Nifty Next 50	Nifty ESG Indices
Nifty Financial Services	Nifty Bharat Bond Indices
Nifty 100	
Nifty Midcap 150	



## Technological leadership

NSE is a pioneering stock exchange respected for innovation. It has consistently led the way in introducing cutting-edge products and services, including the NEAT+ trading system and the CNX Volatility Index (VIX). These advancements highlight NSE's commitment to staying at the forefront of its sector.

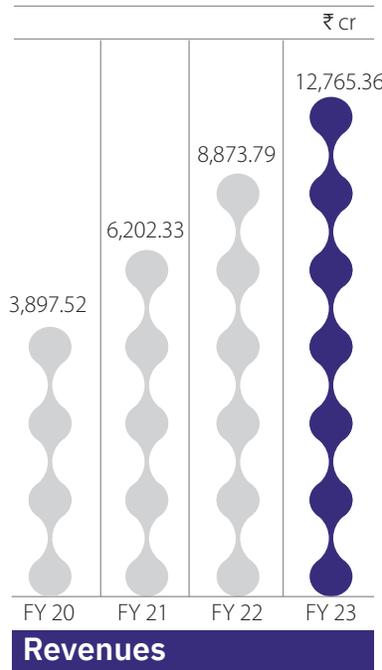


## Clientele

The client base of the National Stock Exchange (NSE) encompasses a variety of participants, including individual retail investors, institutional investors, foreign institutional investors (FIIs), banks, brokerage firms, asset management companies, insurance companies, and other financial institutions. The diverse range of clients reflects the widespread engagement and active involvement in the Indian capital market.

Segment	Products	Customer group
Cash market	<p>Products include equity shares, exchange traded funds, Infrastructure Investment Trust (InvITs), Real Estate Investment Trusts (REITs), mutual funds, Sovereign Gold Bond (SGB), Government securities, treasury bills, state development loan and STRIPS.</p> <p>Services include primary market issuance (IPO), new fund offer (NFO) platform and offer for sale (OFS).</p>	Foreign portfolio investors (FPIs), domestic institutional investors, proprietary desks and retail investors.
Debt Segment	<p>Products include corporate bonds, government securities, commercial paper, commercial debt, convertible and non-convertible debt instruments. Service include request for quote platform for debt securities (RFQ), reporting platform for debt securities (CBRICS), negotiated trade reporting platform, non-competitive bidding platform for Government securities (G-sec), Treasury bills (T-bill) and state development loans (SDL), primary market for debt securities, order collection for sovereign gold bonds (SGB), tri-party repo platform and electronic bidding platform (EBP) for the private placement of debt securities.</p>	Foreign portfolio investors (FPIs), domestic institutional investors, proprietary desks and other retail investors.
Derivatives	Equity derivatives, including index derivatives and single stock derivatives, currency derivatives including FCYINR and cross-currency pairs, Interest rate derivatives and commodity derivatives including bullion, energy and base metals.	Foreign portfolio investors (FPIs), domestic institutional investors, proprietary desks, retail investors, corporates, etc.
Data and information vending	NSE's real-time data feed, 15-minute delayed data, 5 minutes, 2 minutes and 1-minute snapshot data, end of day data, historical trade & order, historical trade data, corporate data, bond valuation, indicative NAV for ETFs, analytical products using trading data, NSE Fixed In (fixed income analytical platform) etc.	Data vendors, researchers, TV channels, financial websites, charting software's, mobile applications etc.
Index services	Equity indices (flagship indices such as Nifty 50, Nifty Bank etc.), ESG indices, debt indices, hybrid indices, customised indices and index constituent data subscription etc.	Asset Management Companies (AMCs), ETF issuers, insurance companies, non-banking finance companies (NBFCs), investment banks, stock exchanges, portfolio management services (PMS) and alternative investment funds (AIF) etc.

# How we strengthened our performance over the years



**Definition**

Growth in sales net of taxes.

**Why this is measured**

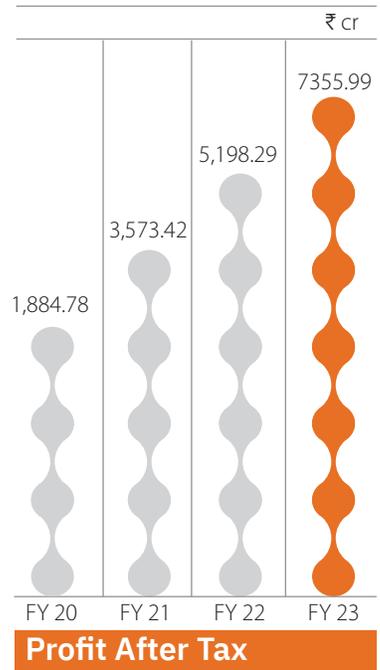
It is an index that showcases your Company’s ability to maximise revenues, which provides a basis against which your Company’s performance can be compared with sectorial peers.

**What this means**

The Group’s consolidated revenues increase between FY22 and FY23 was ₹3,891.57 Crs and the percentage increase was approximately 43.85% on account of a wider marketing footprint.

**Value impact**

The volume offtake remained creditable in an otherwise challenging year for the economy, protecting your Company’s industry visibility and leadership.



**Definition**

Growth in net profit after tax.

**Why this is measured**

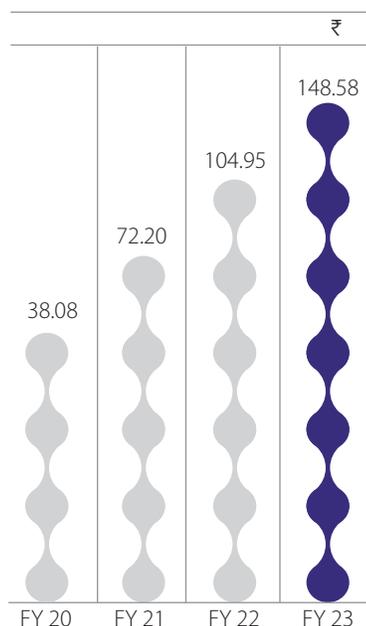
It indicates your Company’s ability to generate profits and reflects its financial performance compared to industry peers.

**What this means**

The Group’s consolidated net profit after tax increase between FY22 and FY23 was ₹2,157.70 Crs and the percentage increase was approximately 41.51%. This growth can be attributed to cost management, revenue growth and operational efficiency.

**Value impact**

Despite the challenging economic conditions, your Company’s profitability remained robust, ensuring its sustained presence in the industry and market leadership.



### Earnings Per Share (₹)

#### Definition

Growth in earnings per share.

#### Why this is measured

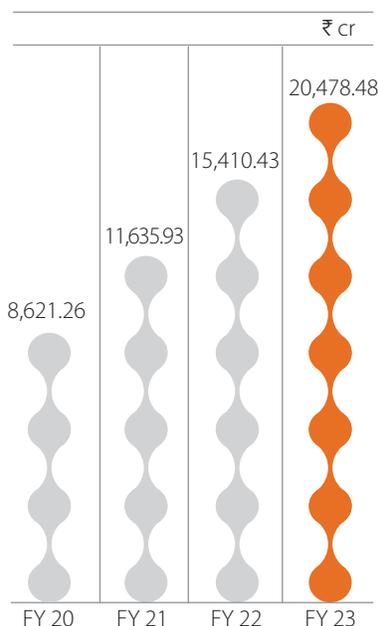
It provides insights into your Company's profitability and allows for comparison with industry peers.

#### What this means

The increase in Group's consolidated EPS between FY22 and FY23 was ₹43.63, and the percentage increase was 41.58%, indicating a strong financial performance. This growth can be attributed to factors such as effective cost management, revenue growth, and operational efficiency.

#### Value impact

Despite challenging economic conditions, your Company maintained robust profitability, ensuring its sustained leadership.



### Net worth

#### Definition

This is derived through the accretion of shareholder-owned funds.

#### Why this is measured

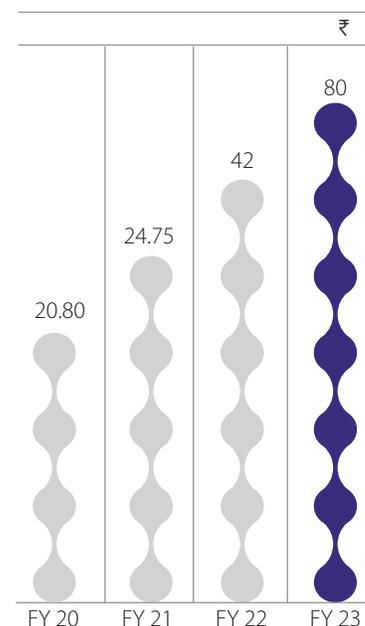
Net worth indicates the financial soundness of your Company – the higher the better.

#### What this means

This indicates the borrowing capacity of your Company that influences the gearing (which, in turn, influences the cost at which your Company can mobilise external funds)

#### Value impact

The increase in the Group's consolidated net worth between FY22 and FY23 was ₹5,068.05 Crs, and the percentage increase was approximately 32.89%.



### Dividend per share (₹)

#### Definition

Growth in dividends per share.

#### Why this is measured

It reflects your Company's dividend distribution policy and provides insights into its ability to generate cash flow for shareholders.

#### What this means

The increase in DPS between FY22 and FY23 was ₹38, and the percentage increase was approximately 90.48%, indicating a stronger return for shareholders. This growth can be attributed to factors such as improved profitability and effective capital allocation.

#### Value impact

By consistently increasing dividends per share, your Company enhances shareholder value and demonstrates its commitment to rewarding investors. This strategy helps maintain investor confidence and attracts potential investors.

## Chairman's message



**NSE represents the essence of India's economic prowess. It reflects the vibrancy and strength of our capital market, propelling our nation forward on the path of sustainable growth and prosperity.**

### *Dear shareholders,*

Allow me to commence my address by illuminating the remarkable growth and progress of the Indian economy, an undeniable testament to our nation's unwavering spirit. Obviously, the Indian economy has been performing exceptionally well, displaying a noticeable vigour and resilience that is worth mentioning. Today, I take great pleasure in sharing with you the pivotal role that our National Stock Exchange of India Ltd (NSE) plays in mirroring and fulfilling the economic aspirations of our country.

#### **Overview**

The year under review was marked by significant global challenges. The Russia-Ukraine war disrupted the global supply chain and led to heightened energy inflation across major developed economies. This, coupled with China's pandemic-induced lockdown, impacted economic recovery in Asia and the rest of the world. As a result, the global economy faced uncertainty and cautious sentiment throughout the year.

#### **Economy and capital market prosperity**

Despite the challenging global

environment, India emerged as a bright spot in the global economy. With a 7.2% GDP growth in FY 2022-23, India became the fastest-growing major economy. This growth was achieved despite high inflation, muted rural demand, monetary tightening, and increased interest rates. India's resilience was reflected in its equities, which outperformed developed and emerging market counterparts. Unlike other markets, India's equity performance was not dependent on international inflows but driven by strong domestic investor participation. The Nifty 50 Index ended the year with a modest 0.6% loss, outperforming global indices. This resilience has been consistent over the last three years, with the Nifty 50 Index showing strong growth compared to global indices. Domestic institutional investors played a significant role in driving this optimism by investing aggressively in Indian equities. This optimism and confidence in India's story were key themes in the performance of the Indian markets during the last financial year.

#### **Positioning NSE**

The NSE exemplifies the economic

prosperity and status of India. It stands as a symbol of robustness and vitality, driven by significantly advanced technology and carefully crafted regulations. It exemplifies the vibrancy of the capital market, playing a pivotal role in raising capital, nurturing entrepreneurship and promoting economic growth. By facilitating capital raising on our platform, we foster the right economic and financial climate in the country. This, in turn, leads to increased investments, entrepreneurial opportunities and job creation, empowering individuals and households with additional income and the ability to invest and spend more. The positive momentum generated by this ripple effect is transformative for our entire economy.

#### **Financial growth**

NSE performed creditably during the year under review.

The consolidated revenue of NSE Group for FY 2022-23 stood at ₹12,765 Crs, a Y-o Y growth of 44%.

The Group's operating EBITDA grew by 42% to ₹9,300 Crs, with a robust EBITDA margin of 78%.

Net profit after tax grew by 42% to ₹7,356 Crs, with a net margin of 58%.

### Market growth

The NSE remained the largest derivatives exchange in the world in terms of number of contracts traded for the fourth successive year. It moved a notch higher and ranked third globally in terms of the number of trades in the cash equities segment in 2022.

In the domestic markets, NSE maintained its leadership position in the Capital market and Equity derivative segments, with a market share of 93% and near-100% respectively. NSE's market share in the Currency options segment stood at 97%, while in the Currency futures segment accounted for 68% in FY 2022-23.

The total capital raising through the equity route of initial public offers, rights issues, preferential allotment, and qualified institutional placements was ₹1.5 lakh Crs in FY 2022-23. Fund raising of corporates through debt via public issue and private placement (reissuances included), was much higher at ₹12 lakh Crs during the year.

### Developments

I am pleased to communicate that there were several developments that helped NSE reinforce its business.

I happily indicate that NSE IFSC Limited, a wholly owned subsidiary of NSE, initiated a series of measures in FY 2022-23 to enhance liquidity and participation across products. The launch of NSE IFSC – SGX Connect in July 2022 marked the beginning of a transition of liquidity riding on SGX Nifty to NSE IFSC. Beginning July 2023, the SGX Nifty Index will be structured from NSE IFSC in Gift City, Gujarat, and will be known as the GIFT NIFTY Index, widening the liquidity pool for Nifty products there.

During the last three decades, NSE has emerged as an Indian financial institution of stature and strategic importance. The exchange has played a catalytic role in investments, capital formation, job creation,

financial inclusion, wealth creation and entrepreneurship promotion. To deepen its role, NSE has opted to disengage and divest businesses considered peripheral to its focus.

### Cutting-edge technologies

As a market leader in India's capital market, the NSE has invested proactively in next-generation technologies to deliver a world-class stakeholder experience. This has helped NSE deepen its competitive advantage. Technology serves as the centre point of NSE's business, empowering operational efficiency, transparency, and superior surveillance; this, in turn, supports the regulatory function, market reliability, quality, and integrity. Over the years, NSE has drawn on its technological expertise and knowledge bandwidth to address market risks, protecting it from disruptions.

NSE also conducts regular system assessments and validations following independent agencies. These assessments aim to identify opportunities for service enhancement through automation, optimization, and consolidation wherever appropriate. By evaluating the existing technology landscape, NSE is positioned to identify areas where upgrading or optimizing technologies can improve efficiency and effectiveness.

**Change of guard:** Let me also take this opportunity to thank our Managing Director and Chief Executive Officer, Shri Vikram Limaye who completed his five-year term on July 16, 2022. He steered the organisation through challenges and his able leadership ensured NSE is positioned attractively. I also take this opportunity to welcome Shri Ashishkumar Chauhan who took over as Managing Director and Chief Executive Officer from July 26, 2022.

The last year was marked by an emerging Indian recovery. As its premier market infrastructure intermediaries, the goals of NSE are

aligned with that of the country — the creation of a robust, buoyant and economically advancing India that facilitates the optimal allocation of capital and savings.

**Outside-wish:** It is crucial to understand that the NSE does not operate in isolation. Our business is intertwined with external factors, which we categorize as 'outside wish.' These factors include regulatory changes and reforms, policy reforms that impact the market and the overall global economic landscape that influences regulations within our country. We must diligently monitor and adapt to changes in the regulatory, technology and market landscapes to ensure that the NSE successfully delivers value to the market.

**Evoking emotions:** Having emphasized the significance and relevance of the NSE, let us now turn our focus to the emotions that the Exchange evokes in our hearts. The success and achievements of the NSE are not limited to any individual; they belong to our nation. As shareholders, you can take pride and delight in the fact that the NSE represents the vibrancy of the capital market, fulfilling its economic purpose with dedication. It epitomizes the progress and prosperity of our country, evoking a sense of happiness and satisfaction.

In essence, dear shareholders, the NSE represents the essence of India's economic prowess. It reflects the vibrancy and strength of our capital market, propelling our nation forward on the path of sustainable growth and prosperity. As we navigate the ever-changing landscape, we remain committed to upholding the highest standards of excellence and service, consistently delivering on our promises to you and our country.

Thank you for your unwavering support and trust in the NSE.

**G. C. Chaturvedi,**  
Chairman

# Board of Directors



**Shri Girish Chandra Chaturvedi**

Chairman and Public Interest Director

Shri Girish Chandra Chaturvedi is the Chairman and Public Interest Director of your Company. He is a Retired IAS Officer of the Uttar Pradesh cadre from the 1977 batch. Shri Chaturvedi has held key positions at the Central level – Government of India, which includes Secretary, Ministry of Petroleum and Natural Gas and State Level - Government of Uttar Pradesh, which includes as Secretary to the Chief Minister.

He has also served as a Government Nominee Director inter-alia on the boards of LIC, Canara Bank, Bank of Baroda, IDBI Bank Ltd and IDFC Ltd. He was the Chairman and Member of Warehousing Development and Regulatory Authority of India (post his retirement from the Indian Administrative Service) during 2014-2018.

Shri Girish Chandra Chaturvedi has pursued MSc Social Policy and Planning in Developing Countries from the London School of Economics, University of London, United Kingdom. He also holds the qualification of MSc Physics, First Class Honours University of Allahabad, India and BSc (Physics; Mathematics; Statistics), First Class Honours University of Allahabad, India. He is the Non-Executive Chairman & Independent Director of ICICI Bank Limited and is also an NCLT / Government appointed Director on the Board of Infrastructure Leasing and Financial Services (IL&FS). He has been associated with your Company since November 08, 2019.



**Shri Ashishkumar Chauhan**

Managing Director & CEO

Shri Ashishkumar Chauhan, MD & CEO of NSE, is a technocrat from IIT Bombay and IIM Calcutta.

He has been involved in automation of stock market in India since 1993 when he became the part of the foundation team of NSE. He is credited with setting up screen-based trading, satellite telecom, Nifty index, derivatives trading and many other activities in Indian stock market.

He is considered as the father of modern financial derivatives in India due to his pioneering work in the field. He was instrumental in bringing SGX NIFTY to GIFT NIFTY within just a year of joining NSE, as committed to Hon'ble PM of India's vision. It is a landmark for Indian financial market and in bringing the international market onshore, which was offshore for years.

He also worked at Reliance group, Mumbai Indians cricket team and BSE (Bombay Stock Exchange). In addition to this, he has been a part of many Government and Non-Government committees in India.



**Shri K. Narasimha Murthy**

Public Interest Director

He is serving on the Boards of several Government education institutions, including Chancellor of University of Allahabad. He is a Board member at IIM Calcutta, Arun Jaitley National Institute of Financial Management (AJNIFM), Gokhale Institute of Politics and Economics (GIPE). He is also a faculty at Nottingham University, UK & Toronto Metropolitan University, Canada (formerly Ryerson University).

He co-authored a book, 'BSE: The Temple of Wealth Creation'. A book titled 'Sthithpragya: The Process of Maintaining an Equilibrium' addresses his life journey.

He has been awarded many awards in India and abroad including Top 50 CIOs in the world by Information Week, US, Digital Icon of the Year, Asian Banker of the Year and many more.

He has been associated with your Company since July 26, 2022.

**Shri K. Narasimha Murthy is a Public Interest Director of your Company. Shri K Narasimha Murthy, having a brilliant academic record, getting ranks in both CA and ICWA courses, entered the Profession of Cost & Management Accountancy in 1983. He is associated with the development of Cost & Management Information Systems for more than 175 companies, covering more than 50 industries.**

He is closely associated with turning around large corporates, focusing on systems improvement with a cost reduction approach. Earlier, he was associated as a Director with Oil and Natural Gas Corporation Ltd (2013-16), IDBI Bank Ltd.(2001-11), LIC Housing Finance Ltd.(2005-15), UTI Bank Ltd.,(presently AXIS Bank) (1999-2004), Member Board of Supervision NABARD (2005-15), Unit Trust of India (UTI) (2002-03), IFCI Ltd. (2008-09), STCI Finance Ltd. (formerly Securities Trading Corporation of India Ltd.) (2013-19), AP State Finance Corporation (2009-15), APIDC Ltd. Bombay Stock Exchange etc. and as Chairman of Expert Committee on Urban Co-op. Banks (UCBS) (2002) in A.P. He was appointed for conducting Quality Assurance Audit of Audit Control Systems in the IDBI Bank.

He has been associated with your Company since February 17, 2020.


**Prof. S Sudarshan**

Public Interest Director

**Prof. S Sudarshan is a Public Interest Director of your Company. He is presently a professor at Indian Institute of Technology, Bombay.**

He was a Visiting Researcher at Microsoft Research, Redmond WA, and was also a Principal Investigator (Member of Technical Staff) in the Database Research group at AT&T Bell Laboratories, Murray Hill, New Jersey. Prof. S Sudarshan has pursued B. Tech (Computer Science) from Indian Institute of Technology Madras, MS (Computer Sciences) from University of Wisconsin-Madison, U.S.A and PhD (Computer Sciences) from University of Wisconsin-Madison, U.S.A.

He has been associated with your Company since February 17, 2020.


**Smt. Mona Bhide**

Public Interest Director

**Smt. Mona Bhide is a Public Interest Director of your Company. She is the Managing Partner in Dave & Girish & Co., Advocates. Smt. Bhide has been in the legal practice since 1989. Her practice at Dave & Girish & Co. Advocates revolves around corporate law, securities and banking transactions, capital markets, structured finance, securitisation, swaps, derivatives, mergers and acquisitions and restructuring, litigation and arbitration.**

Smt. Bhide is also advisor to various MNCs, banks and financial institutions. She is also holding Directorships in GIC Housing Finance Limited, Vinati Organics Limited, Alliance of Business Lawyers and Datamatics Global Services Limited. Smt. Bhide has worked with Sedgwick Deetert, Moran and Arnold, an international law firm in Chicago, USA.

She has researched with the American Bar Foundation, at Chicago, USA, on topics like SEC Regulations, conflicts of interest and globalisation of the legal profession. She had the privilege of representing and winning the arbitration and the litigation for ANZ Grindlays Bank against NHB on the biggest ever securities scam by Harshad Mehta. She pursued her LL.B Degree from University of Mumbai. She also earned her LL.M Degree from Northwestern University, School of Law, Chicago.

She has been associated with your Company since April 21, 2020.

**Shri S Ravindran**

Public Interest Director

**Shri S Ravindran is a Public Interest Director of your Company. He has extensive work experience of over 36 years out of which 29 years was at the Securities and Exchange Board of India (SEBI).**

He formerly served as the Executive Director at the SEBI from August 2011 to May 2022. He has also served in various capacities as Chief General Manager, General Manager and Deputy General Manager at SEBI. During his stint at SEBI he has handled all major departments and initiated / implemented various policy measures for development / regulation of the Securities market. He was also an advisor to Central Bank of Bahrain on deputation from SEBI. As an advisor to Central Bank of Bahrain has drafted and implemented Bahrain's Securities Market Regulatory Framework on par with International standards and enabled Bahrain to enter into Multilateral MOU with IOSCO.

He has been associated with your Company since December 17, 2020.

**Shri Veneet Nayar**

Shareholder Director

**Shri Veneet Nayar is the founder and chairman of Sampark Foundation, touching the lives of 10 Mn children in rural government schools across 8 states in India.**

He is the former Vice Chairman and CEO of HCL Technologies and author of the highly acclaimed management book 'Employees First, Customers Second: Turning Conventional Management Upside Down'. In Forbes' 'Heroes of Philanthropy List 2016' Veneet was cited for 'Innovation-led large scale social change'. He was also featured as a 'Global Thinker 2016' by Foreign Policy magazine for 'Unplugging technology so kids can learn'. An acknowledged management visionary, Veneet architected HCL Technologies' radical transformation that led Fortune magazine to recognise HCL as 'The world's most modern management'. Veneet was also chosen by Fortune Magazine for its first-ever global 'Executive Dream Team' in 2012. Both HCL Technologies and Sampark Foundation's innovative management practices are taught as case studies at the Harvard Business School.

He has been associated with your Company since September 20, 2021.



**NSE**  
commenced  
the full scale  
operation of  
NSE IFSC-  
SGX Connect  
from FY 2023



During the last financial year, NSE achieved a historic moment. Singapore Exchange (SGX Group) and National Stock Exchange of India announced the launch of the NSE IFSC-SGX Connect. The NSE IFSC-SGX Connect was inaugurated by the Hon'ble Prime Minister of India Shri Narendra Modi.

This comprised the transition of trading of SGX Nifty to NSE IFSC via the Connect coupled with dollar-denominated Nifty contracts exclusively traded on NSE IFSC.

The Connect enables orders from SGX members to be routed to NSE IFSC for trading and execution with clearing and settlement through SGX Derivatives Clearing. An enhanced Connect infrastructure to support full scale Nifty trading via the Connect was achieved.

## Perspectives



I would like to thank and acknowledge the immense efforts from all parties involved, made possible with support from the Monetary Authority of Singapore (MAS) and International Financial Services Centres Authority (IFSCA), in working towards getting the Connect fully operational. This will be a landmark occasion and we look forward to creating greater connectivity for investors globally and forging closer relationships with our partners in India.”

**Shri Loh Boon Chye**  
CEO of SGX Group



“This represents milestone in our partnership of more than 22 years with SGX Group to consolidate liquidity in Nifty contracts at NSE IFSC in Gift City. We shall collaborate with SGX Group and their members to ensure a smooth and seamless transition to NSE IFSC.”

**Shri Ashishkumar Chauhan**  
MD and CEO of NSE



# Securities settled with speed

The journey to shortening of settlement cycle began on September 7, 2021, when Securities and Exchange Board of India (SEBI) permitted stock exchanges to introduce T+1 settlement cycle from January 01, 2022, on any of the securities available in the equity segment. All the Market Infrastructure Institutions (Stock Exchanges, Clearing Corporations and Depositories) jointly finalized the roadmap for the implementation of T+1 settlement cycle in a phased manner.

The first batch of securities transitioned to T+1 Settlement on February 25, 2022, and thereafter, every month a batch of around 500 securities transitioned to T+1 Settlement. From January 27, 2023, all securities i.e., equity shares including SME shares, exchange traded funds (ETFs), Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), Sovereign Gold Bond (SGB), Government Bonds and Corporate Bonds trading in the equity segment were settled on T+1 basis.

The achievement is significant considering NSE's scale of operations

in the equity segment. NSE ranked fourth in 2021 globally in the equity segment based on number of trades executed in electronic order book as per statistics maintained by World Federation of Exchanges (WFE). NSE witnessed transactions by more than 2.7 Crs investors (unique PANs) in equity segment in financial year 2022. Globally most stock exchanges in developed as well as emerging markets follow the T+2 settlement system. The shortening of settlement cycle to T+1 will enhance significant capital efficiencies for investors and improve risk mitigation for the entire industry.

## Perspective



“It is a great achievement for the Indian Capital Market. The achievement would not have been possible without the continuous guidance provided by Securities and Exchange Board of India and painstaking effort taken by all Market Infrastructure Intermediaries particularly the Clearing Corporations, trading members, clearing members, custodians, and all other stakeholders in re-engineering the processes and crunching timelines to adapt to shorten the settlement cycle.”

**Shri Ashishkumar Chauhan,**  
MD & CEO, NSE



# NSE received regulatory nod to launch WTI Crude Oil and Natural Gas futures contracts

India's leading stock exchange, National Stock Exchange (NSE), has received the approval from Securities & Exchange Board of India (SEBI), to launch the rupee denominated NYMEX WTI Crude Oil and Natural Gas (Henry Hub) futures contracts in its Commodity derivatives segment.

Earlier, NSE had signed a data licensing agreement with CM E Group allowing NSE to list, trade and settle rupee denominated NYMEX WTI Crude Oil and Natural Gas (Henry Hub) derivatives contracts on its platform. The addition of these contracts expanded NSE's product offering in the Energy basket as well as its overall commodity segment. These contracts provide

market participants with an efficient way to manage their price risk.

## Perspective



"It gives us immense pleasure to inform the market participants that NSE received the regulatory approvals to launch the NYMEX WTI Crude Oil and Natural Gas futures contracts. It has always been our objective to provide the market participants with a suite of dynamic & robust financial products."

**Shri Sriram Krishnan,**  
Chief Business Development  
Officer



# NSE launched Social Stock Exchange (SSE) as a separate segment

NSE set up a Social Stock Exchange (SSE) as a separate segment of the NSE. The Social Stock Exchange segment provides a new avenue for social enterprises to finance social initiatives, provide visibility and increase transparency in fund mobilisation and utilisation by social enterprises. Any social enterprise, Non-Profit Organization (NPOs) or For-Profit Social Enterprises (FPEs), that establishes its primacy of social intent can get registered / listed on the Social Stock Exchange segment.

For eligible NPOs, the first step for onboarding starts with the registration on the Social Stock Exchange segment. Post registration, NPOs can initiate the fund mobilisation process by issuance

of instruments such as Zero Coupon Zero Principal (ZCZP) via a public issue or private placement. Regulations have prescribed the minimum issue size as ₹1 Cr and minimum application size for subscription at ₹2 lakhs for ZCZP issuance.

For FPE, the process of issue and listing of securities continued to be the same as applicable for issue and listing of securities under the extant processes of the Exchange (based on eligibility criteria for the Main board, SME Platform or innovators growth platform, as applicable in addition to the criteria provided to be eligible as Social Enterprises).

## Perspective



“We have been conducting various events and hand holding social enterprises at various stages of onboarding on the Exchange. I take this opportunity to request Social Enterprises to get in touch with our teams to understand the mechanism and benefits from registering & listing on the Social Stock Exchange segment.”

**Shri Ashishkumar Chauhan,**  
MD & CEO, NSE



# Management discussion and analysis

## Global economic overview

The global economy witnessed a broad-based slowdown in 2022, weighed down by the Russia's invasion of Ukraine, persistently high inflation, slowdown in China and tightening of financial conditions. The Russia-Ukraine war that commenced in February 2022 with no signs of de-escalation, derailed the fragile global economic recovery from the Covid-19 pandemic. This not only led to a devastating humanitarian crisis in Europe soon after the one caused by the pandemic, but also led to a sharp rise in food, oil and other commodity prices across the globe, worsening high inflationary pressures. This, in turn, forced central banks across the globe

to resort to rapid monetary tightening, which was equally unprecedented as was the post-Covid easing. The US Federal Reserve, the European Central Bank and the Bank of England raised policy rates by 500 bps, 325 bps and 400 bps in the current cycle. Further, frequent lockdowns in China under its zero Covid policy and property sector crisis, led to a sharp slowdown in the Chinese economy, weighing heavily on global trade and activity.

The International Monetary Fund (IMF), in the World Economic Outlook (WEO) report released in April 2023, estimated global growth to slow from 6% in 2021 to 3.4% in 2022—a percentage point lower than the growth projected in January 2022. According

to the IMF, about a third of the world economy faced two consecutive quarters of GDP contraction in 2022. Global growth is expected to weaken to 2.8% in 2023—the third weakest pace in nearly three decades, surpassing only the recessions during the global financial crisis and the Covid-19 pandemic. This was primarily due to aggressive and synchronous policy tightening across the globe aimed at combating high inflation and attendant risks to the financial sector—signs of which are visible through recent bank failures in the US and Europe. Risks to the growth outlook remain skewed to the downside, emanating from heightened financial sector stress, intensification of the war in Ukraine,

persistence of core inflation at elevated levels and geopolitical tension.

Even as global inflation has shown signs of easing, thanks to a decline in commodity prices towards the latter part of 2022, it remains way ahead of the target levels set by the global central banks. The IMF projects global inflation at 7% in 2023, down from 8.7% in 2022, even as core inflation is expected to decline more softly. Importantly, the IMF doesn't see inflation rates falling back to targets before 2025 for most economies, which, in turn, may keep global interest rates higher for longer.

### Indian economic overview

The Indian economy emerged as a bright spot in an otherwise ailing global environment and made a full recovery in FY 2022-23, growing at the fastest pace among its major developed and emerging market peers. This was primarily led by a recovery in private consumption and investment. While improvement in supply-side bottlenecks supported the manufacturing sector, notwithstanding drag from elevated input cost pressures, contact-intensive services witnessed a strong rebound, thanks to the pandemic-induced pent-up demand and universal vaccination coverage. In addition, the Government's strong thrust on capital spending, along with relatively healthier Balance Sheets of corporates and banks, has provided a conducive environment for recovery in private sector capex.

The Central Statistics Office's (CSO) second advance estimate pegs India's GDP growth at a robust 7.0% in FY 2022-23, on top of an upwardly revised 9.1% growth in the previous year. Investment (gross fixed capital formation) and private consumption were the growth drivers last year, partly dragged down by lower exports and

subdued government consumption. Domestic economic activity is expected to remain resilient in 2023-24 as well, with the RBI projecting GDP growth for the year at 6.5%. Strong agricultural production over the last two years, robust post-pandemic rebound in the services sector, resilient banking and financial system and strong capex push by the government are major factors supporting domestic economy. That said, deterioration in the global growth outlook and its spillovers to emerging markets including India, persistent geopolitical tensions, tighter global financial conditions and surge in financial market volatility pose downside risks to the outlook.

A sharp rise in international commodity prices during the first half of the fiscal, led by a worsening of supply-side issues owing to the Russia-Ukraine war, followed by domestic food supply shocks in the second half due to erratic weather conditions, resulted in a significant rise in inflation during the year. Headline consumer price index averaged at 6.7% in FY 2022-23 as compared to 5.5% in the previous year, with core inflation (headline inflation excluding food and fuel) remaining sticky through the year in excess of 6%. The persistence of headline inflation above the RBI's target range forced the Monetary Policy Committee to raise the policy repo rate by 250 bps during the year to 6.5%, with the commitment to do more as needed to curtail inflation and generalization of price pressures.

The withdrawal of the monetary policy support during the year was partly made up by sustained fiscal impetus. The government stepped up capital spending during the year to support the post-pandemic recovery while continuing on the path of fiscal consolidation, aided by robust tax collections—both direct as well as indirect. This was primarily targeted at road, transport & highways, railways,

telecommunications and defense.

The Union Budget 2023-24 continued to reflect the government's focus on reviving growth via higher centre-led capital expenditure, with a fiscal deficit target of 5.9% of GDP. In fact, this was the third consecutive year of a steep jump in the centre's capex, which is nearly 3x of the spend in 2019, translating into a five-year CAGR of ~27%. The Budget also continues to bring about fiscal transparency, as seen from a steady reduction in dependence on off Balance Sheet borrowings. For the financial sector, the Budget focused on inclusion, continued credit support to MSMEs and simplifying and enabling governance in the GIFT-IFSC through a number of proposed amendments. The revised tax slabs, higher savings limit for senior citizens and incentives for the new tax regime would further simplify the tax structure and support consumption. Overall, the Budget maintained a fine balancing act of prudence and stimulus.

India's external vulnerability increased during the year, with the current account deficit expected to widen in FY 2022-23. Apart from surge in commodity prices, the domestic demand recovery added to the move towards the *status quo ante*. Further, heightened global risk-off environment triggered by tightening global financial conditions, worsening geopolitical environment and a China slowdown led to a flight of foreign capital from emerging markets including India to safe-haven assets. All these factors weighed on the INR against a strong USD.

### Capital market scenario and its impact on NSE

Aggressive rate hikes by the US Federal Reserve, Russia-Ukraine war, supply-side pressures, slowdown in China induced by a zero-Covid policy and global growth slowdown weighed

collectively on global markets in FY 2022-23, particularly in the first half. The MSCI world index (developed market index) fell 22% in the first half of FY 2022-23—the steepest fall during this period in two decades. The MSCI emerging market (EM) index underperformed with a higher drop of 23% during this period—the highest in 11 years.

Global equities, however, witnessed a modest rebound in the second half as expectations of a policy pivot gained strength amid easing inflation. Additionally, lifting of restrictions in China—imposed under its zero-covid policy—towards the latter part of the year and consequent rebound in the economic activity fuelled the rally, notwithstanding a modest reversal towards the end thanks to the stress in the global banking sector. During this period, the MSCI World and MSCI EM Index generated strong gains of 17.4% and 13.1%, partly reversing some of the losses seen in the first half. Consequently, the MSCI World and MSCI EM index ended FY 2022-23 with losses of 8.6% and 13.3% respectively.

Indian equities outperformed its developed as well as emerging market peers by a wide margin in FY 2022-23, notwithstanding a significant underperformance during the second half. Relative economic resilience, falling crude oil and commodity prices and strong corporate earnings more than made up for rising global bond yields during the first half, thereby keeping investor sentiments buoyant. Indian equities, however, remained on side-lines in the second half as stretched valuations forced investors to take some money off the table. Nevertheless, the Nifty 50 Index ended the year with a modest loss of 0.6%, while Nifty Mid-cap 50 Index generated a gain of 3.5%.

Domestic institutional investors

remained net buyers of Indian equities for the second consecutive year, with net inflows of ₹2.56 lakh Crs, higher than ~₹2.1 lakh Crs in the previous year and far exceeding net foreign capital outflows during the year. This was aided by a surge in retail participation through the SIP (systematic investment plan) route. Average monthly SIP inflows rose from ₹80,000 Crs in 2020-21 to ₹1,04,000 Crs in FY 2021-22 and further to ₹1,30,000 Crs in FY 2022-23. At the same time, direct retail participation remained broadly stable during the year, reflected in continuing new investor additions and a steady retail ownership of NSE-listed companies.

On the capital raising front, ₹13.5 lakh Crs was mobilised through debt (including public and private placement) as well as equity from the primary market during FY 2022-23. In the equity market, the amount raised was ₹1.5 lakh Crs whereas the amount raised in debt market was ₹12 lakh Crs.

### Key government initiatives

#### Capital market and financial sector

**reforms:** The 2023 Union Budget saw a continued focus on developing and deepening capital and financial markets. Some of these included:

- i) Setting up of National Financial Information Registry as a central repository of financial and ancillary information,
- ii) Capacity building in securities market, empowering SEBI to develop and enforce norms for education in the National Institute of Securities Market (NISM), and
- iii) Launch of Central Bank Digital Currency (CBDC) for both wholesale and retail segment to facilitate a more efficient and cheaper currency management. Further, the RBI also took the first step towards internationalizing rupee, facilitating

international trade settlement in Indian rupee. In March 2023, it approved 60 domestic and authorised foreign dealer banks from 18 countries to open Vostro Accounts.

#### Digitisation and financial inclusion

**measures:** The government has taken various initiatives to push UPI usage to boost its digitisation programme, including linkage of Singapore's PayNow with UPI in February 2023 to enable faster remittances between the countries and extending UPI for inbound travellers from G20 countries to India announced in February 2023. With the aim of developing backward districts, the Government announced the Aspirational Blocks programme in the 2023 Union Budget—the programme aims to saturate 500 blocks with every development initiative of GOI.

**Investment measures:** The government maintained its commitment to provide an economic boost through higher capital expenditure. The 2023 Union Budget saw a steep increase in its budgeted capex for a third year in a row by 33% to ₹10 lakh Crs — 3.3% of GDP (3x of that in 2019), primarily targeted towards roads, transport and railways. To complement the PM Gati Shakti programme — National master plan for multi-modal connectivity worth ₹100 lakh Crs, the government launched the National Logistics Policy in September 2022. The Policy aims to reduce the logistics cost to make it comparable to global benchmarks by 2030, improve India's Logistics Performance Index ranking to the top 25 by 2030, and create an efficient logistics ecosystem through data driven decision making. These measures, along with structural reforms undertaken over the last few years to strengthen supply chains, should support the Indian economy from the global volatile conditions.

**Manufacturing sector support:** The production-linked incentive (PLI) system, which has inaugurated in March 2020, was expanded to 14 industries. Some recent milestones of the scheme included the creation of an additional 100K direct jobs by Apple in 19 months, in line with the government's job creation target of 200K over the next five years in this sector. Additionally, with an aim to boost semiconductor manufacturing in India and curtail China's growing influence on the semiconductor industry, India entered into an MoU with the USA for creating a Semiconductor Sub-Committee in March 2023. Effective execution of PLI holds the ability to drive private investments and cushion the domestic economy from rising global headwinds.

**Climate-related measures:** With the goal of preparing India to reach the net-zero carbon emissions target by 2070, the government implemented a series of policies to encourage sectors to employ cleaner alternatives to carbon, including plans to increase hydrogen use. The National Green Hydrogen Mission was approved in January 2023, with the objective of reducing fossil fuels imports over ₹1 lakh Crs and reducing annual greenhouse gases emissions by nearly 5 MMT (million metric tonne) by 2030. During the 2023 Union Budget, the government announced the setting up of 4 GWh battery energy storage systems supported through viability gap funding. Additionally, Sovereign

Green Bonds worth ₹1,60,000 Crs were proposed to be issued in FY 2022-23 for mobilizing resources for green infrastructure projects. All of this will provide a strong impetus to the development of private green ecosystems, paving the way for a smooth transition towards a carbon-neutral economy.

**Livelihoods growth and social welfare measures:** To ensure credit guarantees for MSMEs, the government in 2023 Union Budget announced the infusion of ₹9,000 Crs in the corpus to enable additional collateral-free guaranteed credit of ₹2 lakh Crs. Under the Pradhan Mantri Gareeb Kalyan Anna Yojana (PMGKAY)—first launched in March 2020 and relaunched in May 2021 to provide free food grains to eligible beneficiaries during the pandemic, the government announced a scheme to supply free food grains to all priority and weaker sections of the society for one year from January 1, 2023.

### Outlook

The significant stiffening of monetary conditions over the last year, as well as rising financial sector stress, along with persistent geopolitical tensions, are expected to weigh on global GDP over the next two years. According to the IMF, risks are significantly skewed to the downside as a result of the amplification of financial sector turbulence, the development of the Russia-Ukraine war and the continuance of a high inflation trajectory, making monetary policy a

tightrope walk.

Despite an unfavourable global background, the Indian economy is one of the world's fastest growing big economies. A strong post-pandemic rebound in contact-intensive services, a sound banking and financial system and a strong government capex push have all contributed to the Indian economy's increased resilience to global shocks. The private investment cycle has also begun to rebound, driven by increased capacity utilisation and healthier corporate Balance Sheets. Further, the increased emphasis on digitalisation, formalisation and financial inclusion is projected to be a significant driver of India's economic growth in the coming years.

Similarly, while existing product and asset classes would continue to elicit interest, enhanced retail engagement in Indian capital markets in recent years indicates an appetite for new goods and services, as well as a permanent shift in household investment portfolio allocation. Technological advancements, effective risk management systems and a solid regulatory framework will continue to be primary drivers of the securities sector.

### Risks and concerns

While India's medium- to long-term fundamentals are robust, the local capital market, particularly foreign capital inflows, remains vulnerable to global economic trends. Deteriorating global growth fundamentals, stricter financial conditions and heightened

financial market volatility may drive foreign portfolio investors away from emerging markets. Furthermore, the rise of geopolitical tensions, the hardening of crude oil and commodity prices, the persistence of supply-side disruptions and variable weather conditions provide downside risks to

the global economic outlook. On the plus side, a stronger-than-expected rebound in contact-intensive services, a speedier revival in the private investment cycle, a robust government capex push and the settlement of geopolitical tensions could accelerate a recovery.

### Internal control systems and their adequacy

Your Company has well established internal control systems commensurate with the size and

nature of its business and are adequate to ensure compliance with various internal processes and procedures as well as with various statutory and legal requirements. Your Company has appointed reputed firms of

Chartered Accountants to review the effectiveness of the internal control systems and observations, if any, are submitted to the Audit Committee of the Board for its review / recommendations.

### Financial performance, FY 2022-23

During FY 2022-23, total revenue increased by around 51% from ₹8,384.60 Crs for FY 2021-22 to ₹12,692.19 Crs for FY 2022-23.

The total expenditure (including Contribution to Core Settlement

Guarantee Fund) for FY 2022-23 was ₹3,239.76 Crs, compared to ₹2,280.78 Crs for FY 2021-22, an increase of 42%.

The total profit before tax for FY 2022-23 was ₹9,452.43 Crs as against ₹6,103.82 Crs for FY 2021-22, an increase of around 55% over the previous year.

The total provision for tax (including deferred tax) for FY 2022-23 was ₹2,219.53 Crs as against ₹1,482.71 Crs for FY 2021-22.

The total profit after tax for FY 2022-23 was ₹7,232.90 Crs as against ₹4,621.11 Crs for FY 2021-22, an increase of around 57% over the previous year.

### Operating revenues

**Transaction charges:** During the year, an upward trend continued with around 46% increase in the income from transaction charges from ₹6,965.10 Crs for FY 2021-22 to ₹10,172.73 Crs for FY 2022-23. The average daily turnover (billable) on the exchange during FY 2022-23 was ₹53,694 Crs in the cash market (CM segment) as against ₹66,846 Crs for FY 2021-22, indicating a decrease of around 20%. In the Equity F&O segment, the average daily turnover (billable) for FY 2022-23 was ₹1,62,811 Crs as against ₹1,46,552 Crs for FY 2021-22, indicating an increase of around 11%. In the currency derivatives segment, the average daily turnover (billable) for FY 2022-23 was ₹41,653 Crs as against ₹29,393 Crs for FY 2021-22,

indicating an increase of around 42%.

**Listing fees:** During the year, there was an increase of around 6% in the income from listing fees from ₹101.77 Crs for FY 2021-22 to ₹108.27 Crs for FY 2022-23. The exchange, as of March 31, 2023, had 2,138 listed companies. The total market capitalization of these companies, as of March 31, 2023, stood at around ₹256.33 lakh Crs.

**Book building fees:** During the year, the total book building fees decreased to ₹35.68 Crs for FY 2022-23 from ₹50.57 Crs for FY 2021-22.

**Processing fees:** During the year, the total processing fees increased to ₹35.71 Crs for FY 2022-23 from ₹31.40 Crs for FY 2021-22.

**Co- location charges:** During the year, the total Co- location charges increased from ₹432.62 Crs for FY 2021-22 to ₹613.42 Crs for FY 2022-23 due to increase in occupancy of the racks and subscription of connectivity.

**Other Operating Income:** During the year, other operating income increased from ₹134.70 Crs for FY 2021-22 to ₹156.29 Crs for FY 2022-23.

**Interest and other investment income:** During the year, the total investment income increased from ₹643.43 Crs for FY 2021-22 to ₹1,547.04 Crs for FY 2023-24 mainly due to an increase in yield and dividend received from subsidiary companies.

**Other income:** Other income decreased from ₹25.02 Crs in FY 2021-22 to ₹23.05 Crs for FY 2022-23.

### Expenditure

**IT and telecom expenses:** During FY 2022-23, total IT and telecom expenses (includes Repair & maintenance – trading & computer system, IT Management & Consultancy

charges, Software expenses, Leased line charges web site hosting charges, cloud hosting charges and Network infrastructure management charges) were ₹614.31 Crs as compared to ₹454.07 Crs for FY 2021-22.

**Clearing and settlement charges:** NSE Clearing Limited (NCL) a wholly owned subsidiary of the Exchange, carried out the clearing and settlement of the trades executed in the CM, F&O and CD segments. During the

financial year 2019-20, as prescribed by SEBI interoperability framework among Clearing corporations was implemented which allows market participants to consolidate their clearing and settlement functions at a single Clearing Corporation, irrespective of the stock exchanges on which the trades are executed.

Consequent to an increase in income from transaction charges, the clearing and settlement charges increased from ₹458.23 Crs for FY 2021-22 to ₹679.69 Crs for FY 2022-23.

**Employee cost:** The exchange values its human capital. To continue to provide best-in-class services to its members and other market participants, it is essential for your Company to attract and retain the best talent available. In this direction, your Company continues to take

various initiatives to follow best Human Resource practices and also keeps benchmarking with other forward-looking organisations. During FY 2022-23, your Company took a number of HR initiatives in the areas of employee development and training as well as various staff welfare measures. During FY 2022-23, employee related expenses stood at ₹280.60 Crs, which was ₹274.28 Crs for FY 2021-22. Total employees as on March 31, 2023 was 1,115 employees.

**Depreciation:** Depreciation increased by around 16% from ₹259.72 Crs for FY 2021-22 to ₹302.16 Crs for FY 2022-23.

**Other expenses:** During the year, other expenses increased by around 63% from ₹834.48 Crs for FY 2021-22 to ₹1,362.95 Crs for FY 2022-23.

## Financial statement as on March 31, 2023

**Share capital:** The total paid-up capital of your Company, as on March 31, 2023, was ₹49.50 Crs, divided into 49,50,00,000 equity shares of ₹1 each.

**Reserves and surplus:** The total reserves and surplus, as on March 31, 2023, stood at ₹16,626.91 Crs comprising a securities premium of ₹35.50 Crs, investor compensation reserve of ₹10 Crs, staff welfare reserve of ₹1.50 Crs, other reserves of ₹29.43 Crs, retained earnings of ₹9,967.48 Crs and Risk reserve of Rs. 6,583 Crs.

The total net worth of your Company, as on March 31, 2023, was ₹16,676.41 Crs and book value was ₹336.90 per share.

### Deposits from members (Unsecured):

The total deposits from members, as on March 31, 2023, stood at ₹967.71 Crs as against ₹957.99 Crs as on March 31, 2022.

**Fixed assets:** The total gross block (including capital WIP), as on March 31, 2023, was ₹2,696.24 Crs. Total accumulated depreciation up to March 31, 2023 was ₹1,654.32 Crs. Net fixed assets (including capital WIP) were ₹1,041.92 Crs. As part of the total investments in technology, during FY 2022-23, the total additions to fixed assets were ₹270.76 Crs, mainly pertaining to the trading systems, computer systems, telecom equipment and computer software.

**Investments:** The prudential policy of your Company permits it to invest long-term and short-term surplus funds into deposits of highly rated banks / corporates, bonds issued

by the Central / State governments, institutions and various highly rated corporates, debt oriented schemes of high-performing mutual funds, ETFs and balanced funds. As on March 31, 2023, the total non-current investments were ₹5,356.99 Crs as against ₹3,752.06 Crs as on March 31, 2022. Current investments were ₹6,054.39 Crs as on March 31, 2023, as against ₹6,745.65 Crs as on March 31, 2022.

### Other non-current and current

**assets:** Total other assets (non-current and current) as on March 31, 2023 stood at ₹8,365.90 Crs, comprising interest accrued on investments and fixed deposits amounting to ₹41.62 Crs, trade receivables amounting to ₹1,499.58 Crs and cash and bank balances, fixed deposits and certificates of deposits amounting to ₹5,055.48 Crs, Other current assets of

₹656.14 Crs and non-current assets of ₹1,113.08 Crs.

### Other non-current and current

**liabilities:** Total other liabilities (non-current and current), as on March 31, 2023, stood at ₹3,169.53 Crs mainly comprising security deposits as per listing agreement amounting to ₹110.19 Crs, securities transaction tax of ₹228.32 Crs, provision for leave encashment of ₹11.58 Crs, other current liabilities amounting to ₹2,586.67 Crs and other non-current liabilities amounting to ₹232.77 Crs.

**Taxation:** The total provision for tax (including deferred tax) for the year FY 2022-23 was ₹2,219.53 Crs, as against ₹1,482.71 Crs for the year FY 2021-22. During the year, the effective tax rate for FY 2022-23 is 23.48%.

# Corporate Information

## Core Management Team

SHRI ASHISHKUMAR CHAUHAN	MD & CEO
SHRI SRIRAM KRISHNAN	<i>Chief Business Development Officer</i>
SHRI YATRIK VIN	<i>Group CFO &amp; Head Corporate Affairs</i>
SMT. PRIYA SUBBARAMAN	<i>Chief Regulatory Officer</i>
SHRI SHIV KUMAR BHASIN	<i>Chief Technology Officer - Technology Infrastructure</i>
SHRI SOMASUNDARAM KS	<i>Chief Enterprise Risk Officer &amp; Head - Business Excellence</i>
SHRI SHHARAD DHAKKATE	<i>Chief Human Resource Officer</i>
SHRI MAYUR SINDHWAD	<i>Head Technology – Operations</i>
SHRI VIRAL MODY	<i>Head Technology – Application Development</i>

## Employees of Important Subsidiaries

SHRI VIKRAM KOTHARI	<i>Managing Director – NSE Clearing Limited</i>
SHRI MUKESH AGARWAL	<i>Managing Director – NSE Data &amp; Analytics Limited &amp; NSE Indices Limited</i>

## Other Information

<b>Auditors</b>	: Price Waterhouse & Co Chartered Accountants LLP, Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai - 400028
<b>Registered Office</b>	: Exchange Plaza Plot No. C-1, Block 'G', Bandra-Kurla Complex Bandra (East), Mumbai - 400051
<b>Registrar &amp; Transfer Agents</b>	: Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083



The background features a complex digital aesthetic. It includes a 3D bar chart with bars in shades of orange, red, and green, overlaid with a blue line graph. The scene is set against a dark blue background with glowing vertical lines and scattered binary digits (0s and 1s). A horizontal bar with a color gradient from blue to yellow is positioned above the main title box.

# Integrated Report FY 2022-23

## About this Report

This report presents our fourth Annual Integrated Report. The report reflects our vision, strategy and performance across economic, social and environmental parameters. Through this report we showcase our support to SEBI's recommendation

in the circular dated February 06, 2017 (SEBI/HO/CFD/CMD/CIR/P/2017/10) that encourages the top 500 listed companies by market capitalization to adopt Integrated Reporting. We envisage this report to provide an impetus

to our ecosystem of partners and customers to embrace a holistic approach to business management and corporate disclosures. Such an approach can play a crucial role in enabling efficient and sustainable allocation of capital.

## Reporting frameworks and guidelines

This report has been prepared in line with the requirements of:



The Companies Act, 2013



International Integrated Reporting Council's (IIRC) Integrated Reporting (<IR>) Framework



Indian Accounting Standards



National Guidelines on Responsible Business Conduct (NGRBC Principles)



The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015



The Secretarial Standards

This report is also aligned to the recommendations made in the publication titled "How exchanges can embed sustainability within their operations" published by the United Nations Sustainable Stock Exchanges (SSE) initiative in collaboration with World Federation of Exchanges (WFE). The Global Reporting Initiative (GRI) standards and Sustainability Accounting Standards Board (SASB) standards have been referenced for devising Key Performance Indicators (KPIs) for material topics. Additionally, contributions to the United Nations Sustainable Development Goals (SDGs) have been mapped throughout this report.

### Report period, boundary and coverage:

The contents of this report showcase our performance, strategy and outlook for the reporting period FY 2022-23. The contents presented in this report pertains to National Stock Exchange of India Limited (NSE).

### Report structure and core elements:

This report is prepared in line with

the <IR> framework and aims to narrate our value creation process. Our "material topics" define the contours of the report. These "material topics" have been categorized into six distinct sections termed as "capitals" which are representative of our value creation pillars. Under each capital our performance for the current year, strategic intent and outlook has been described. The capital specific narratives are followed by the statutory board reports and financial statements.

**Forward-looking statements:** This report consists of forward-looking statements which represent our envisioned future orientation for the business. These statements are based on certain assumptions and can be identified by the use of words such as "believe", "estimates", "anticipates", "may", "plan" and other words with similar connotation. These statements are solely representative of our expectations based on our experience, sectoral insight and assumptions which may be incorrect in the future. Hence,

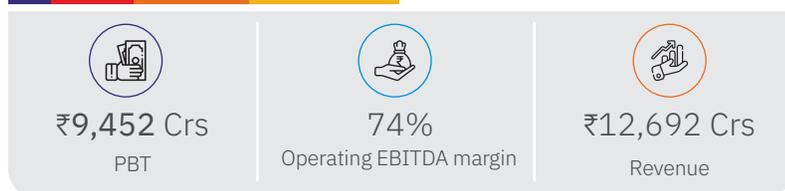
these statements must not be used as a guarantee of future performance and must be treated solely as a representation of expectations for the future based on current scenarios and assumptions which could change materially in the future.

**Responsibility statement:** This report has been reviewed by our senior management to ensure integrity and balance in the data represented. The claims and content presented in this report have been appraised by them collectively.

**Feedback:** This is our fourth integrated report, we look forward to your inputs towards strengthening our value creation proposition and improving the relevance of the information represented. We also hope that this disclosure motivates more companies to adopt a sustainability focused approach in their corporate reporting to enable holistic evaluation of their performance. Please share your feedback on the report at [secretarialdept@nse.co.in](mailto:secretarialdept@nse.co.in).

## Performance highlights

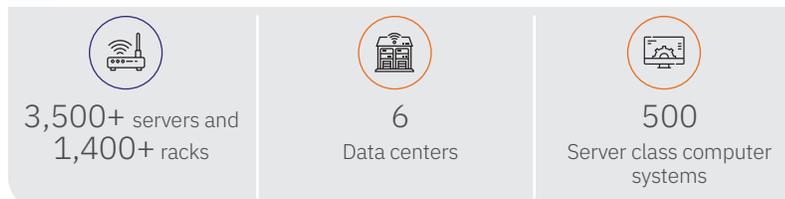
### Financial Capital



### Intellectual Capital



### Manufactured Capital



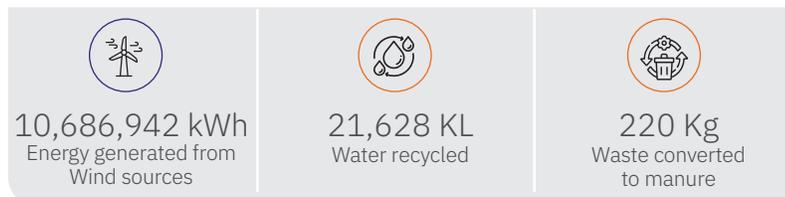
### Human Capital



### Social and Relationship Capital



### Natural Capital



## Entrenching sustainability in our business

### Engaging with our stakeholders

At NSE, we believe that our stakeholders are an integral part of our business and play an important role in guiding the overall business strategy. It is imperative to understand their perceptions to identify the changing risk and opportunity landscape associated with our business. We have developed distinct modes of interactions to engage with various stakeholder groups and discuss key business issues pertaining to Environment, Social and Governance (ESG) dimensions of our business. This process has helped us to develop an impactful stakeholder engagement plan, thus enabling us to strengthen the value we create for them. This in turn has also helped us to keep our stakeholders abreast on significant changes in our business strategy and operations. Year on year, we try to increase our engagement with different stakeholder groups to reinforce trust among our stakeholders.

### List of external stakeholders

1. Government of India
2. Regulatory bodies (SEBI & RBI)
3. Customers (trading members, including proprietary, retail, and institutional members, data vendors, listed companies, investors in the Indian capital markets)
4. Partner service providers (TCS, Oracle, VMware, Airtel, CISCO, WIPRO, IBM etc.)
5. Investors and shareholders
6. Market service providers (clearing banks, professional clearing members, custodians and depositories, data and information vendors, front and back-office service providers, data analytics service providers, algo vendors)
7. Other exchanges (such as NASDAQ) and depositories
8. Society (students, NCFM candidates, participants of financial awareness programmes, local communities, NGO partners)
9. Academic institutions, Researchers and Think Tanks
10. Media and Journalists

### List of internal stakeholders

1. NSE senior management & executive team
2. Employees from strategic team, tactical team, operational team, business team, legal & secretarial team
3. Employees engaged in clearing and settlement, technology, regulatory affairs, data vending, index service, education services

### Our Approach

Our approach to stakeholder engagement encompasses four key phases. The first phase aims to identify stakeholder groups based on

- a. Those affected by our business directly or indirectly
- b. Who significantly influence our business



Post identification, stakeholders within each identified group are prioritized based on their impact on our business activities and the corresponding influence of your Company on the stakeholders. We

have tailored engagement channels for each stakeholder group to gather their feedback on our various business activities. These channels provide an opportunity for stakeholders to present their concerns and inputs

to the management of NSE. These interactions further help us to mitigate identified risks and convert them into opportunities towards making our operations sustainable.

Stakeholder	Mode of Engagement	Engagement Frequency	Key Engagement topics	Initiatives taken to engage / interact with customers
<b>Trading Members</b>	<ol style="list-style-type: none"> <li>One on one meetings / calls.</li> <li>Member Help desk -Phone Calls Emails</li> <li>Periodic Compliance filings</li> <li>Webinars</li> <li>Member Surveillance Dashboard (MSD) for members</li> <li>NSE's Electronic Applications System (NEAPS) for Listed Companies</li> <li>Help Desk</li> </ol>	Ongoing process	<ul style="list-style-type: none"> <li>Compliance and regulatory matters</li> <li>Query resolving and assistance</li> </ul>	<ol style="list-style-type: none"> <li>Regular Review of regulatory policies/procedures.</li> <li>Conducted Webinars for Members on launch of different modules in NSE's new digital portal</li> <li>Conducted Webinars for Members on back-office vendor empanelment.</li> <li>3 Webinars conducted for Members on revised net worth requirements.</li> <li>Conducted webinars for implementation of LAMA.</li> <li>Issuance of clarifications &amp; FAQs on technical glitches.</li> <li>Periodic regulatory filings by Members.</li> <li>Dissemination of list of Authorized Persons (AP) whose registration have been cancelled by Members due to disciplinary reasons.</li> <li>Reporting requirements initiated for Authorized Persons (AP). Members to report details of the AP inspections and details of the clients mapped to their APs.</li> <li>To further strengthen the process of handling Investors Grievances, Trading Members were advised to publish escalation matrix under the "Contact Us" page of their website. Exchange has also formulated a penalty structure for non-compliance of the said requirement.</li> <li>Trading Members were directed to desist from the practice of allotting multiple client codes to a retail client. Exchange has put adequate checks in place to restrict registration of multiple UCCs.</li> <li>Trading Members are advised to have a separate page on the website for the Investor Charter wherein the relevant details provided in the Investor Charter viz Vision, Mission, Services Provided by the member, Grievance Redressal Mechanism of the member and Exchange, etc. are displayed along with the logo of the Trading Member. The link to access the Investor charter should be available on the home page of the website.</li> <li>Aspects of client due diligence were re-enforced by issuing a circular</li> <li>Webinar was conducted w.r.t Pre- Trade Risk Controls (PTRC) and Surveillance Obligation, Persistent Noise creators &amp; Placing of order at fair price in the months of June 2022, July 2022 and August 2022.</li> <li>Issued clarification (FAQ) on Settlement of Running Account of Client's Funds lying with Trading Member (TM) and ensured seamless implementation of single day settlement in coordination with all relevant stakeholders.</li> <li>Introduced Application Programming Interface (API) based platform for members to submit information relating to investors' assets lying with members.</li> <li>Webinars were conducted for internal auditors to sensitize them on the importance of reporting critical observations in reports and discussed the purpose and scope of internal audit.</li> </ol>

Stakeholder	Mode of Engagement	Engagement Frequency	Key Engagement topics	Initiatives taken to engage / interact with customers
				<p>18. Strengthened the process of internal audit through various measures such as prescription of additional eligibility criteria for internal auditors, sharing of samples with auditors, review of penalty structure applicable for non-compliances reported by the auditors.</p> <p>19. Formats for System Audit and Cyber Security and Cyber Resilience Audit reports submissions have been revised, under the guidance of SEBI and in consultation with other Exchanges.</p> <p>20. Unified Help-desk across functions with standardized processes and seamless internal query routing for improved accessibility and response time in resulting in quality service and experience.</p>
<b>Regulators (SEBI)</b>	<ol style="list-style-type: none"> <li>1. Periodic Meetings with SEBI officials</li> <li>2. Emails, Phone calls</li> </ol>	Ongoing process	<ol style="list-style-type: none"> <li>1. Periodic engagement with SEBI officials on key regulatory matters &amp; important cases</li> <li>2. Discussions on policy matters</li> <li>3. Data requirements</li> <li>4. Active engagement with SEBI on the Unified Information infrastructure (UII) initiative.</li> </ol>	<ol style="list-style-type: none"> <li>1. Periodic meetings with SEBI officials are scheduled to discuss various regulatory matters.</li> <li>2. Timely submission of information/data sought by SEBI.</li> <li>3. Active engagement with SEBI on the policy matters, Unified Information Infrastructure (UII) initiative for the development of common interfaces/processes across all MIIs for Membership related requirements.</li> <li>4. Interaction with SEBI to elaborate the definition of 'Celebrity' under the code of advertisement.</li> <li>5. Interaction with SEBI for implementation of LAMA.</li> <li>6. Interaction with SEBI for empanelment of Back Office Vendors.</li> <li>7. Discussion with SEBI on the implementation of revised net worth.</li> <li>8. Active engagement with SEBI on various policy and guidelines formulation</li> <li>9. Active engagement with FIU.</li> <li>10. Active engagement with SEBI on: <ul style="list-style-type: none"> <li>• Upstreaming of clients' funds by Stockbrokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs)</li> <li>• Monitoring of qualified stockbrokers (QSBs)</li> <li>• Compulsory settlement of securities to client within one working day of the pay-out and creation of an auto-pledge for unpaid securities.</li> <li>• Validation of Instructions for Pay-In of Securities from Client demat account to Trading Member (TM) Pool Account against obligations received from the Clearing Corporations</li> </ul> </li> </ol>
<b>Other Exchanges</b>	<ol style="list-style-type: none"> <li>1. Periodic joint Meetings with Exchanges &amp; depositories</li> <li>2. E mail</li> <li>3. Discussion on policy matters</li> </ol>	Ongoing process	<ol style="list-style-type: none"> <li>1. Information sharing and discussion on regulatory matters</li> <li>2. Discussion on policy matters</li> </ol>	<ol style="list-style-type: none"> <li>1. Regular sharing of information on regulatory matters, actions taken on Members and making available data in XBRL format</li> <li>2. Periodic meeting/discussions with other Exchanges on regulatory matters including various applications received from companies/issuers and Members.</li> <li>3. Drafting of regulatory policies in consultation with other Exchanges related to Compliance officer guidelines, restriction of the use of name by Trading Member/AP, Code of advertisement, Development of LAMA, revised net-worth requirements, and back office vendors.</li> <li>4. Development of IRRA Platform for investors of the Trading Member/s, who faced disruption in the trading services provided due to technical glitches.</li> <li>5. To desist the practice of creating multiple UCCs, a mechanism has been built to stop creating multiple UCCs for a Single PAN (excluding exempted categories).</li> <li>6. Email and Print media campaigns launched for trading members to inform their clients to update nomination choice &amp; PAN-Aadhar seeding.</li> <li>7. Joint proposal was submitted to SEBI on the process to be followed for new and existing Sikkim based clients.</li> <li>8. Formulation of joint framework for dealing with Unsolicited SMS and Video in consultation with other Exchanges.</li> </ol>

Stakeholder	Mode of Engagement	Engagement Frequency	Key Engagement topics	Initiatives taken to engage / interact with customers
				9. Joint proposal submitted to regulator on following matters: <ul style="list-style-type: none"> <li>• Short - Term Additional Surveillance Measure (ST-ASM)</li> <li>• Surveillance Measure for securities under IBC/ICA</li> <li>• Persistent Noise Creators</li> <li>• Surveillance measure for scrips with low Non-Promoter Holding</li> </ul>
<b>Investors</b>	NSE Website/ Circulars	Ongoing process	Information about Members, Investors and Authorized Persons (AP)	1. Dissemination of the Member details with inadequate reported Net-Worth on NSE website along with the action taken. 2. Dissemination of Directors / partners details of expelled / defaulter Members 3. Dissemination of list of Authorized Persons (AP) whose registration have been cancelled by Members due to disciplinary reasons. 4. Updation of Nomination choice and PAN Aadhar seeding by March 31, 2023. The timelines have now been extended to September 30, 2023, and June 30, 2023, respectively. 5. SEBI vide circulars dated July 04, 2022, and June 03, 2022, has amended the dispute resolution clauses. The following provisions were modified: <ul style="list-style-type: none"> <li>• Exemption of fees for Investor having claim/counter claim up to 20 lakhs.</li> <li>• Timeline for filing arbitration after the pronouncement of GRC Order.</li> </ul> 6. Standard Operating Procedure (SOP) for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a listed Company and/or Registrars to an Issue and Share Transfer Agent (RTAs) and its Shareholder(s)/Investor(s). 7. UCCs compliant with 6 KYC attributes are allowed to trade. 8. Investors were cautioned towards dealing with unsolicited videos and messages circulated in social media. 9. Brokers were directed to develop a functionality of pop-up messages in their web portal and front-end, so that whereby any client while placing the order in a security which is under surveillance measure gets a relevant alert before placing order in the respective scrip. 10. Complete migration to new website 11. Investor Feedback based changes. Implemented for a seamless experience. The same is now available in 3 regional languages. 12. Certified to be accessibility compliant to WCAG 2.0.
<b>Customers (Listed Companies)</b>	1. One-on-one / group meetings / webinars 2. Phone calls and emails 3. Application for various approvals	Ongoing process	1. Compliance and regulatory matters 2. Service-related matters	1. Regular Review of regulatory policies/procedures. 2. Conducted Webinars for listed companies to give clarity of amendments to Regulations, key observations on fund raising applications. 3. Regulatory Help desk for resolving queries. 4. Issuance of clarifications & FAQs on compliance matters. 5. Periodic regulatory filings by listed companies. 6. 8 Webinars/Seminar/round-table discussion were conducted for explaining regulatory requirements and process of application filings for Preferential Issue, Bonus Issue and Scheme of Arrangement, BRSR, SEBI LODR etc 7. Display of designated bank accounts named as client bank accounts to receive/pay money from/to investors as disclosed by the trading member to Exchange are displayed under the link "Know/Locate your Member" on NSE website, enabling investors to validate before dealing with trading members. 8. Display of brokerage/ charges to the investor on the "Order placement window/screen" on their Internet Based Trading (IBT) / Wireless Trading (WT) applications. 9. Issued press releases/ public notices cautioning investors to stay away from various unregulated schemes/ products/ entities. Further, filed police complaints in the matters related to dabba trading.

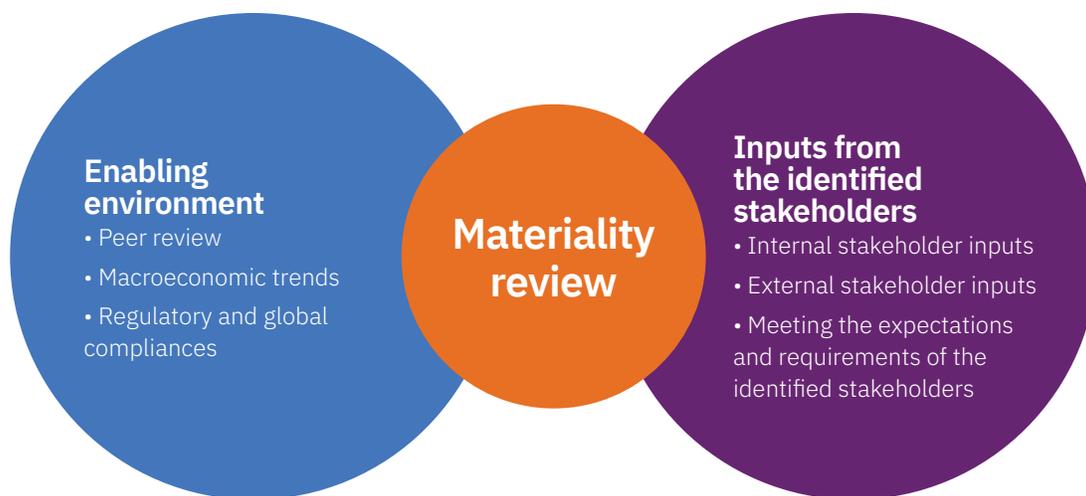
# 1. Materiality Review

We conducted a materiality review exercise to appraise the relevance and applicability of the materiality assessment exercise conducted in FY 2022-23. The materiality review process was based on two key elements:

**• Review of topics in the context of the enabling environment:** This phase of the review process involved assessing the current impact and relevance of the material topics in the context of the macroeconomic environment, key risks, regulatory landscape, and global trends. A peer analysis was also conducted to affirm the relevance of the material topics for the current reporting period.

**• Review based on stakeholder inputs:** The stakeholder inputs received through our existing stakeholder engagement channels were analyzed. This helped us to ensure that the material topic list covers the wide spectrum of stakeholder areas of interest.

We found that our material topic list covers all the stakeholder areas of interest and is in line with global trends. Through this exercise we could ascertain that the ESG focus areas of our business were only marginally affected by the impact of the pandemic. This showcases our preparedness towards any unprecedented situation and our sustainability focused approach towards business.



Capitals	Material Topic	KPI & SDGs in Focus	Stakeholder In focus
Financial Capital	<b>Economic performance</b>	<ul style="list-style-type: none"> <li>Direct economic value generated and distributed</li> </ul> <b>SDGs: Decent work &amp; economic growth</b> 	Customers, Shareholders, Internal stakeholders, Investors
	<b>Indirect Economic Impact</b>	<ul style="list-style-type: none"> <li>SMEs focused initiatives and investments</li> <li>Infrastructure investments and services supported</li> <li>Significant indirect economic impacts</li> </ul> <b>SDGs: Decent work &amp; economic growth, Industry innovation &amp; infrastructure</b>  	Society, Customers, Regulatory bodies

Capitals	Material Topic	KPI & SDGs in Focus	Stakeholder In focus
<b>Manufacture Capital</b>	<b>Technology driven infrastructural development</b>	<ul style="list-style-type: none"> <li>Investments made in fixed assets to enhance service delivery</li> <li>Infrastructure based initiatives that enhance service reliability and quality</li> </ul> <p><b>SDGs: Industry innovation &amp; infrastructure</b></p> 	Customers, Shareholders, Investors, Service providers
<b>Intellectual Capital</b>	<b>Technology &amp; Innovation</b>	<ul style="list-style-type: none"> <li>Investments made in technology</li> <li>Service outcomes of technological deployment</li> <li>New products/services introduced and consequent impact on service delivery</li> <li>Market uptake of new products</li> </ul> <p><b>SDGs: Industry innovation &amp; infrastructure</b></p> 	Customers, Shareholders, Partner service Providers, Investors
	<b>Managing Business Continuity &amp; Technology Risks</b>	<ul style="list-style-type: none"> <li>Description of efforts to prevent technology errors, security breaches, and market disruptions</li> <li>Number of data security breaches and percentage involving customers' personally identifiable information</li> <li>Number of significant market disruptions and duration of downtime</li> </ul> <p><b>SDGs: Industry innovation &amp; infrastructure</b></p> 	Customers, Shareholders, Partner service providers, Investors
	<b>Ensuring market integrity &amp; stability</b>	<ul style="list-style-type: none"> <li>Investments made in surveillance infrastructure</li> <li>Number of breaches/ noncompliance to regulation/ Reported cases of fraudulent activities/ transactions</li> <li>Initiatives and investments linked to cyber-security</li> <li>Number of data security breaches encountered in the reporting period</li> </ul> <p><b>SDGs: Industry innovation &amp; infrastructure, Peace, Justice, and strong institutions</b></p>  	Regulators, Customers, Society

Capitals	Material Topic	KPI & SDGs in Focus	Stakeholder In focus
Human Capital	<b>Employee wellbeing &amp; Development</b>	<ul style="list-style-type: none"> <li>Employee welfare initiatives and corresponding investments</li> <li>Training and Education: Average hours of training per employee, Programs for upgrading employee skills and transition assistance programs, Percentage of employee receiving regular performance and career development reviews</li> </ul> <p><b>SDGs: Industry innovation &amp; infrastructure, Reduced Inequalities</b></p>  	Internal Stakeholders
	<b>Promoting Diversity</b>	<ul style="list-style-type: none"> <li>Diversity and equal opportunity: Diversity of governance bodies and employees</li> <li>Diversity metrics by age and gender</li> </ul> <p><b>SDGs: Gender Equality</b></p> 	Internal stakeholders, Investors, Society
Social and Relationship Capital	<b>Community engagement</b>	<ul style="list-style-type: none"> <li>Investments made in community development</li> <li>Output of CSR initiatives</li> </ul> <p><b>SDGs: No poverty, zero hunger, good health and wellbeing, quality education, clean water &amp; sanitation, decent work and economic growth, sustainable cities and communities, climate action, life on land and partnerships for the goals</b></p>          	Society
	<b>Collaborations &amp; advocacy</b>	<ul style="list-style-type: none"> <li>Key collaboration and advocacy linked initiatives and outcomes of the programs</li> <li>Financial Literacy and investment culture: Number of investor awareness programs and number of participants</li> <li>Promoting responsible investing and green finance: Initiatives and research undertaken to promote responsible investing, incorporation of ESG considerations in investment decision making and green finance</li> </ul> <p><b>SDGs: Quality education, Industry innovation &amp; infrastructure, Responsible consumption and production and climate action</b></p>    	Customers, Market partners, Service partners, Investors

Capitals	Material Topic	KPI & SDGs in Focus	Stakeholder In focus
Natural Capital	Climate Change	<ul style="list-style-type: none"> <li>Emissions</li> <li>Renewable energy adoption</li> </ul> <p><b>SDGs: Clean energy and climate action</b></p>  	Society, Investors
	Responsible resource management	<ul style="list-style-type: none"> <li>Energy saved through energy saving initiatives</li> <li>Water recycled &amp; reused</li> </ul> <p><b>SDGs: Responsible consumption and production</b></p> 	Society, Investors
General Disclosure	Business ethics	<ul style="list-style-type: none"> <li>Anti-corruption: Operations assessed for risks related to corruption, communication and training about anti-corruption policies and procedures, confirmed incidents of corruption and actions taken</li> <li>Process to identify and assess conflicts of interest between the exchange's regulatory obligations and the interests of its members, its market operations, its listed issuers, and, in the case of a demutualized self-regulatory organization (SRO), its shareholders</li> <li>Amount of legal and regulatory fines and settlements associated with fraud, anti-trust, anti-competitive, market manipulation, malpractice, or other business ethics violations</li> </ul> <p><b>SDGs: Peace, Justice and Strong Institutions</b></p> 	Regulators

## Facets of our value creation proposition

We remain dedicated to creating value for our stakeholders while being cognizant of the needs of future generations. Our value creation process revolves around six key facets of our business, which have been termed as “capitals” throughout this report. Each capital, further represented as a separate section detailing how we employ our resources to enable shared growth, inclusivity, and sustainable development.

Our key focus areas (material topics) identified through the process of stakeholder engagement and materiality assessment have been categorized under respective capitals. The six capitals are as illustrated below.



### 1. Our strategic focus areas

We at NSE work towards adapting our value creation model to the dynamic needs of our stakeholders. It is our aspiration to create tangible and meaningful impact by generating new opportunities and supporting the financial well-being of our people. Through this inclusive and growth-oriented approach, we envision to retain our position of market leadership whilst strengthening our global presence. By amalgamating our technological prowess with our passion, we are working towards bringing best-in-class experiences to our customers. We endeavor to strengthen economic growth prospects by enabling efficient capital raising and capital allocation. We look to be the one stop shop for all financial market needs of investors, issuers, and intermediaries. We also aim to provide multi asset class and multi-platform offerings that address all niches in the exchange trading world.

We at NSE, want to offer state of the art, robust, low latency, high throughput, easy-to-use and customizable technological architecture that meets the expectations of the entire spectrum of investors, intermediaries, and issuers. We have a stable and robust risk management system and an all-encompassing market quality assurance program that builds confidence in the ecosystem.

## Our Strategic Focus

Expand capabilities to effectively cater to market participants across the risk-reward spectrum with an enhanced focus on financial inclusion and providing fair and equitable access

Catalyze India’s transition from a banking-based financing model to a capital market-based financing model, bolstered by innovative, market-driven products and deep and broad financial markets

Maintain and upgrade infrastructure and technology, thereby bringing pioneering technologies and innovations to India’s financial markets

Forge partnerships and collaborations for a sustainable business

Cultivate an agile, innovation-centric, and collaborative work environment

Facilitate efficient capital allocation for large, small, medium enterprises and new-age technology companies

## Short-term priorities

### Product Development

- Broad basing participation across asset classes.
- Consolidating leadership position in global equity and derivatives markets.
- Developing fixed income and fixed income derivatives markets.
- Deepen the Indian Commodity derivatives market space by widening participation in key products such as Energy and Bullion contracts.
- Bring innovative and differentiated products in commodity derivatives markets.
- Superior bouquet of products/ services to meet the needs of

MSMEs.

- Product offerings that meet the needs of the ecosystem participants in asset classes such as electricity, natural gas, agriculture, carbon credits, plastic credits, coal etc.
- Make RFQ a preferred trading platform for all regulated entities to trade in corporate bonds and CPs.
- Develop product offerings that meets the needs of global investors and Indian investors' global investment access.
- Automation of IT Operations, Enhanced Applications Monitoring, Software and Hardware Asset Management.

- Execution of Robustness and Fault tolerance plan for existing and new systems.
- Continually enhance technology infrastructure to ensure resiliency, redundancy, and security.
- Execute Design and Delivery of New Generation Surveillance Systems.
- Nurturing the increasing first-time investors on-boarding the exchange.
- Enhance customer experience.
- Ensure orderly conduct of markets by continually reviewing the supervisory framework and model.

## Medium-term priorities

### Business

- Partner in India's dream to be a USD 5 trillion economy and a global economic powerhouse by 2024-25 by providing the issuers including the small and medium enterprises, platforms for fund mobilization and providing investors – domestic or foreign domiciled, institutional or non-institutional an array of financial products to suit their risk palate and need for diversification.
- To be the preferred exchange for the Government of India in mobilization of funds by way of disinvestment of stakes in public sector enterprises through public offerings and further issuances.
- To be preferred exchange for investors with the bouquet of the product & service offerings.
- To be the preferred exchange

for raising funds through retail participants in the government securities (G-Sec), treasury Bills and state development loans.

### Technology

- Scalable, ultra-low latency and fault tolerant system stack built on non-proprietary hardware.
- Build robust spot platform for bullion products and to attain a leadership position in the category.
- Assessment of latest technology for use in regulatory function and working on capacity building for stakeholders to facilitate compliance and effective monitoring by Regulators.
- Strategic Data Centre Builds and Rollouts- Migrate Production Data Center and Colo Data center facilities to scalable infrastructure.

- Deployment of Low Latency Middle-ware interfaces across NSE and NCL applications for better robustness, stability and fault tolerance.

### Product Development

- Help create national electronic market for agricultural products.
- Develop a digital retail investor platform to empower investors with knowledge, skills, tools.
- To be the preferred exchange platform provider across demographic investor profiles for wide variety of financial products.
- To introduce foreign economy linked products in India to provide investors with global exposures.
- Emerge as a preferred platform for tri-party repo, borrowing & lending of corporate bonds.

## Long-term priorities

### Market Leader

- To be the market leader in commodity derivatives products.
- Market leader in fixed income products and fixed income derivatives.
- Maintain leadership position in all asset classes in secondary markets.
- To be the preferred Exchange platform provider across demographic investor profiles for wide variety of financial products.
- Emerge as a thought leader in financial markets.
- Secure the position as the top player in commodity markets both

spot and derivatives.

- To be the preferred destination for foreign investments amongst the emerging market peers and other Asian economies.
- Consolidating leadership in all regulatory functions to effectively partner with Government/Regulators in further development of securities market.

### Product Development

- Corporate bond trading volumes to be on par with government bond market volumes.
- Offer retail friendly platform for seamless trading in corporate bonds for retail participation.

### Technology

- Modernization of Trading Platform i.e., high-volume asset classes up to the range of 1 million orders/sec.
- Modernization and Platform build for NCL Risk applications, NCL Collateral Management applications, NCL Core applications– Clearing & Settlement Data-warehouse, Architecture, MIS & Advanced data analytics.
- Execute Digital Transformation of Exchange, Clearing Corporation and Regulatory touch points with the market stakeholders and business operations users.

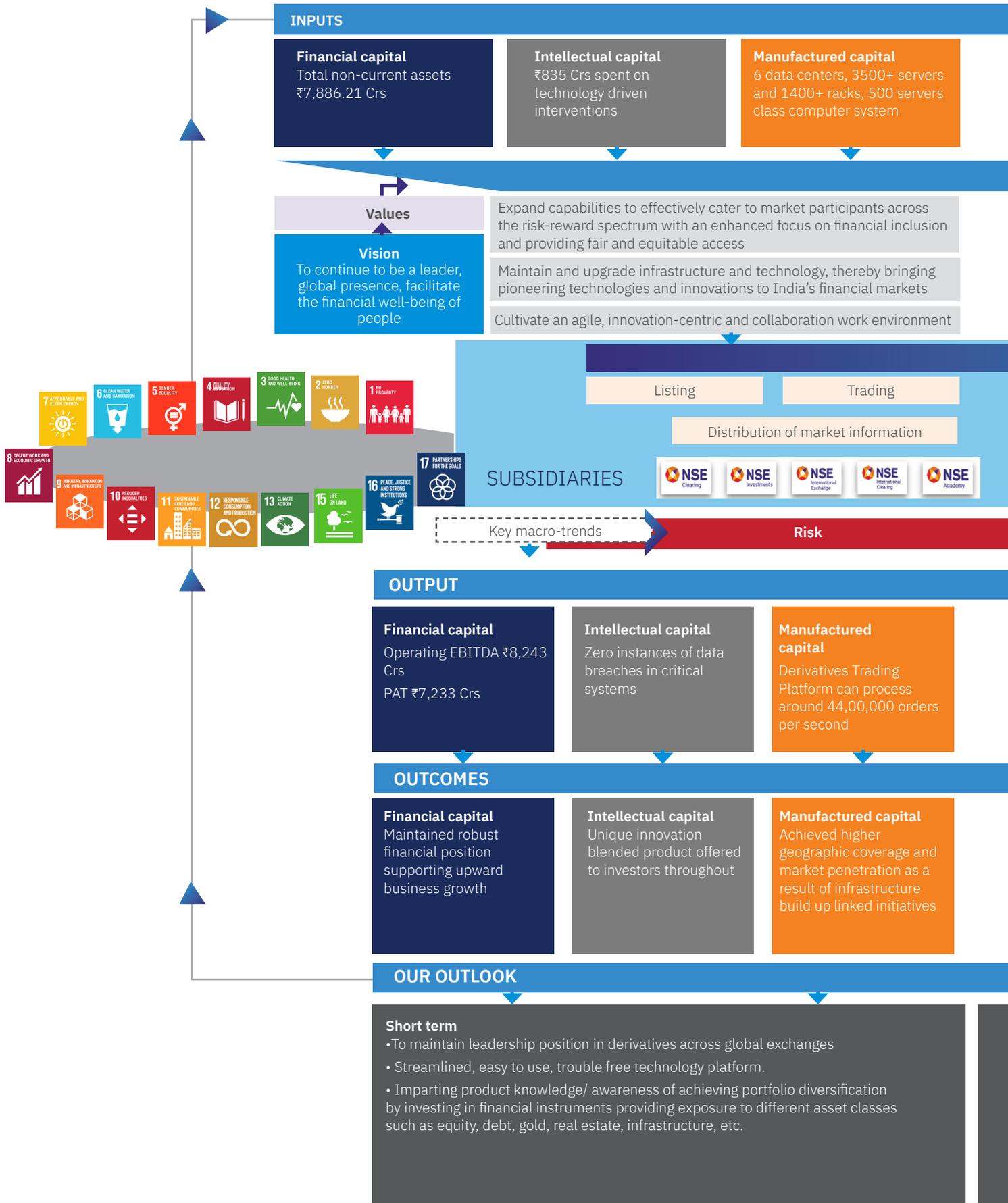
## NSE's Strategy Roadmap

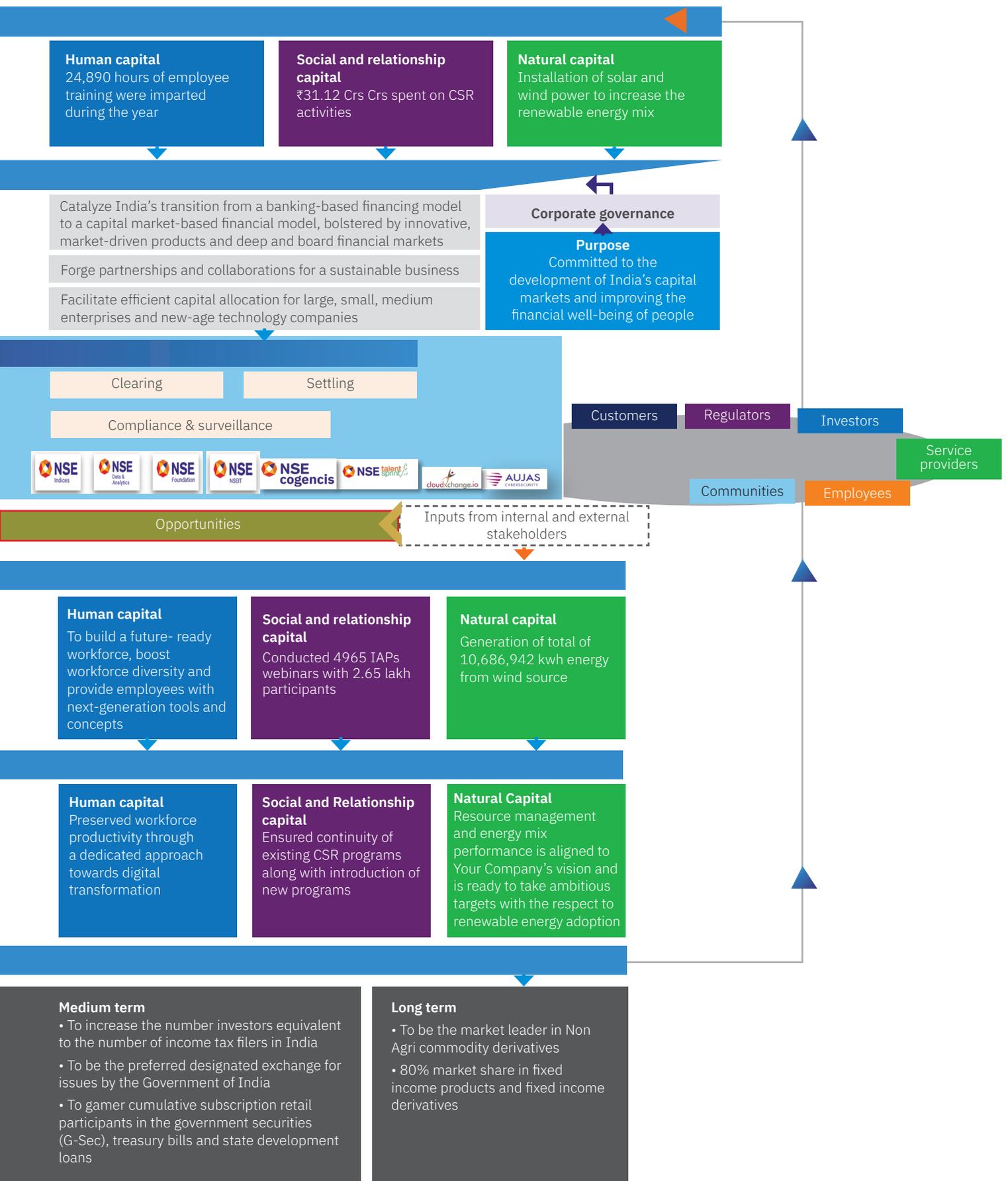
	Strategic objectives	Strategic enablers
Short-term	<ul style="list-style-type: none"> <li>• Supporting the trading members through various customer care initiatives in their difficult time faced due to COVID-19 pandemic.</li> <li>• The pandemic has resulted in trading member fraternity, investors and the value chain at large to take up knowledge enhancement via online modes. Exchange will target to provide skills/knowledge enhancement opportunities via webinars, online-training programs, and self-paced learning videos to impart education to all stakeholders.</li> <li>• To maintain leadership position in derivatives across global exchanges</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities explored to tap new geographies such as Russia for new participants to invest in Indian Capital Markets.</li> <li>• Imparting product knowledge/ awareness of achieving portfolio diversification by investing in financial instruments providing exposure to different asset classes such as equity, debt, gold, real estate, infrastructure, etc.</li> <li>• Capacity building in fixed income &amp; fixed income derivatives and commodity derivatives.</li> <li>• Streamlined, easy to use, trouble free technology platform.</li> <li>• Review of existing products.</li> </ul>

	Strategic objectives	Strategic enablers
<b>Medium-term</b>	<ul style="list-style-type: none"> <li>• To increase the number of active investors equivalent to the number of income tax filers in India</li> <li>• To be the preferred designated exchange for issues by the Government of India in public sector enterprises' public offerings and further issuances</li> <li>• To garner cumulative subscription retail participants in the government securities (G-Sec), Treasury Bills and state development loans</li> <li>• To bring in new domestic institutional participants in respective asset classes and increase domestic institutional participant's market share</li> <li>• To facilitate single stock derivatives beyond large capitalized stocks</li> <li>• To retain the number one rank in derivatives globally based on the number of contracts traded.</li> <li>• To be amongst the top 10 exchanges in equities globally</li> <li>• To be the preferred choice of venue to raise capital – equity and debt</li> </ul>	<ul style="list-style-type: none"> <li>• Ease of doing business propagated by Government of India likely to boost capital flows as well as new participants to invest in Indian capital markets.</li> <li>• Product gap identification and launch of new products.</li> <li>• Policy advocacy to bring in continuous improvements to regulatory policies.</li> <li>• Algo / colo / strategy trading capacity building / skilling of dealers and clients</li> <li>• Regulatory facilitation to streamline access of international traders.</li> <li>• Streamlining processes for capital raising</li> <li>• Seamless digital platform for distribution of all financial products</li> </ul>

	Strategic objectives	Strategic enablers
<b>Long-term</b>	<ul style="list-style-type: none"> <li>• To be the market leader in Non Agri commodity derivatives</li> <li>• 80% market share in fixed income products and fixed income derivatives</li> <li>• Corporate bond trading volumes to be on par with government bond market volumes.</li> <li>• Maintain leadership position in all asset classes</li> </ul>	<ul style="list-style-type: none"> <li>• Organic / inorganic growth options in non-transaction revenue areas</li> <li>• Setting up connect with International Exchanges to increase flows to Indian markets</li> </ul>

Our Business Model





**Human capital**

24,890 hours of employee training were imparted during the year

**Social and relationship capital**  
₹31.12 Crs Crs spent on CSR activities

**Natural capital**  
Installation of solar and wind power to increase the renewable energy mix

Catalyze India's transition from a banking-based financing model to a capital market-based financial model, bolstered by innovative, market-driven products and deep and board financial markets

Forge partnerships and collaborations for a sustainable business

Facilitate efficient capital allocation for large, small, medium enterprises and new-age technology companies

**Corporate governance**

**Purpose**

Committed to the development of India's capital markets and improving the financial well-being of people

Clearing

Settling

Compliance & surveillance



Customers

Regulators

Investors

Service providers

Communities

Employees

Opportunities

Inputs from internal and external stakeholders

**Human capital**

To build a future-ready workforce, boost workforce diversity and provide employees with next-generation tools and concepts

**Social and relationship capital**

Conducted 4965 IAPs webinars with 2.65 lakh participants

**Natural capital**

Generation of total of 10,686,942 kwh energy from wind source

**Human capital**

Preserved workforce productivity through a dedicated approach towards digital transformation

**Social and Relationship capital**

Ensured continuity of existing CSR programs along with introduction of new programs

**Natural Capital**

Resource management and energy mix performance is aligned to Your Company's vision and is ready to take ambitious targets with the respect to renewable energy adoption

**Medium term**

- To increase the number investors equivalent to the number of income tax filers in India
- To be the preferred designated exchange for issues by the Government of India
- To gamer cumulative subscription retail participants in the government securities (G-Sec), treasury bills and state development loans

**Long term**

- To be the market leader in Non Agri commodity derivatives
- 80% market share in fixed income products and fixed income derivatives

## Financial capital

“Integrate innovation, transparency, collaboration, and an inclusion-oriented approach to foster shared prosperity.”

Strategic Intent	Material topics	Performance highlight FY 2022-23	SDGs in focus	Outlook
Our primary objective is to create sustainable financial value while promoting economic growth. We achieve this by actively stimulating growth opportunities and effectively managing risks to ensure value creation for the economy.	<ul style="list-style-type: none"> <li>Financial Performance</li> <li>Indirect Economic Impact</li> </ul>	<ul style="list-style-type: none"> <li>309 companies listed on the SME platform</li> <li>44% y-o-y growth in total revenue in FY 2022-23</li> <li>We continued to be the world’s largest derivatives exchange for 4th consecutive year</li> </ul>	 	Our robust financial position is a result of our strategic initiatives, including the diversification of our product and service offerings, the infusion of next-generation technologies into our business model, and the promotion of market inclusion. These initiatives enable us to retain a solid financial standing.

### Interrelationship between capitals

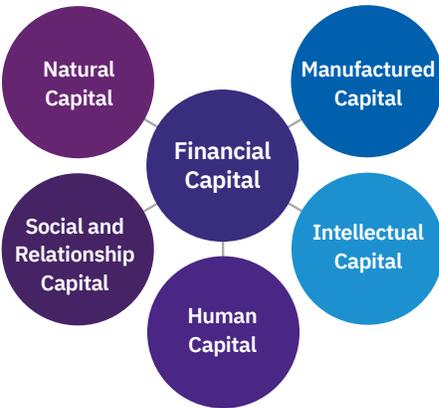
**Stakeholders Influenced**  
*Communities and shareholders*

Synergies Explained

We recognize the importance of investing in resource conservation initiatives and driving the decarbonization of the economy. By adopting a long-term time horizon-oriented approach to risks and opportunities, we align our actions with our core values of sustainability. These investments contribute to our organization’s resilience and enable us to live up to our commitment to environmental stewardship.

SDGs in focus





**Stakeholders Influenced**  
*Customers and stakeholders*

Synergies Explained

We understand the significance of investing in fixed assets to elevate our service offering capabilities. These strategic investments enhance our revenue prospects by attracting prospective customers and retaining our existing customer base. By continually upgrading our infrastructure, we remain at the forefront of providing exceptional services to our customers.

SDGs in focus



**Stakeholders Influenced**  
*Communities, academia, customers, employees, regulators*

Synergies Explained

Our investments in community development programs, investor awareness initiatives, and thought leadership development go beyond our core business proposition. These investments play a pivotal role in creating significant social and economic value. They strengthen our relationships with stakeholders and foster a conducive environment for sustainable growth.

SDGs in focus



**Stakeholders Influenced**  
*Employees, customers and stakeholders*

Synergies Explained

We firmly believe that investing in our employees’ training, development, and wellbeing is crucial to driving innovation, creative ideation, and a culture of excellence within our organization. This commitment is central to our ability to create value for our external stakeholders and maintain a competitive edge.

SDGs in focus



**Stakeholders Influenced**  
*Customers and stakeholders*

Synergies Explained

We prioritize software and IT-based intellectual property investments to enhance our surveillance systems and deliver a superior customer experience. By reinforcing market integrity, stability, and customer confidence in our services, we actively contribute to a robust and trustworthy market ecosystem.

SDGs in focus



## Introduction

Our operational framework is built upon the pillars of pioneering innovation, comprehensive digitization, inclusive practices, and robust governance systems. These cornerstones have been instrumental in establishing our formidable financial position. The COVID-19 pandemic served as an unprecedented challenge for business models worldwide, hastening the widespread adoption of digital technologies across sectors. Our steadfast dedication to fostering digital capabilities since our inception empowered us to overcome the myriad challenges posed by the pandemic adeptly.

We maintain an unwavering focus on diversifying our customer base while strengthening the depth and breadth of our product portfolio, ultimately driving financial value. Strategic investments are key in augmenting our customer-centric approach and enhancing our service capabilities. At NSE, we are dedicated to serving customers across various scales and backgrounds by tailoring products to their unique needs, catering to a wide spectrum of risk appetite. The robust financial performance we have consistently achieved is the culmination of our commitment to enhancing the financial well-being of our customers and bolstering India's capital market.

### 1. Our financial performance

We delivered a standalone revenue of ₹12,692 Crs. Around 88% of the total revenue is attributed to operating revenue. Our Profit Before Tax (PBT) stood at ₹9,452 Crs, which was a ₹6,104 Crs in the previous year. We report an operating EBITDA margin of 74% with the ratio of PAT to revenue at 57%.

In the financial year 2022-23, we

**44%**  
y-o-y growth in  
operating revenue  
noted in FY 2022-23

proudly maintained our position as the world's leading derivatives exchange while ranking fourth globally in the cash equities segment based on trade volume. We have consistently reported a strong financial position alongside securing these leadership positions. Our performance in challenging circumstances has exemplified our resilience and commitment to prioritizing stakeholders.

### 2. Enabling Capital Formation and Embedding Sustainability

Stock exchanges play a crucial role in facilitating capital formation, supporting economic advancement, and embedding sustainability principles into the financial system. Our primary focus is to provide access to capital and facilitate the efficient allocation of resources. By fostering a well-regulated and equitable ecosystem, we mobilize financial resources for businesses and offer investors a robust platform for deploying funds. Our regulatory function, emphasizing market integrity and stability, further contributes to financial stability and economic growth.

While our core business drives economic development, we are committed to expanding our impact by developing products and services that enhance the economy. Our approach includes promoting good corporate governance practices, facilitating efficient market transactions, and fostering market inclusion. Diversifying our customer base is a critical area of focus, as it generates economic and societal co-benefits through these endeavors.

#### 2.1. Stimulating diversified market-participation to galvanize growth

In line with our commitment to fostering a vibrant and diverse market, we concentrate on solutions tailored for small and medium-sized enterprises (SMEs) and retail investors. Both segments play integral roles in unlocking economic growth opportunities. By providing an equitable platform that

encourages retail participation, we unlock significant economic benefits. A diversified investor base offers compelling advantages for issuers, while increased retail participation provides individual investors from diverse backgrounds access to alternative investment opportunities.

SMEs are the engines of economic growth, and injecting capital into this sector presents a myriad of value propositions for the economy. Investing in SMEs creates jobs, boosts GDP growth, promotes innovation, and unlocks various other economic development opportunities.

#### SME EMERGE

NSE EMERGE, launched in 2012, has emerged as a credible and efficient marketplace, bringing together sophisticated investors and emerging corporates in the country. Since its inception, it has witnessed an impressive 309 listings, with funds raised exceeding ₹5130 Crs. This platform addresses a significant challenge SMEs face: limited access to risk capital. Many young companies need help to secure funding to scale up their businesses. EMERGE provides them an alternative avenue to raise equity for purposes such as capital expenditure and innovation.

One of EMERGE's key contributions is providing liquidity and exit opportunities to early-risk investors in smaller companies. By acting as a catalyst in building a vibrant capital ecosystem for SMEs, EMERGE facilitates growth and development in this segment. The platform has grown from strength to strength since inception. Today, the platform not only enables easy access to capital for SMEs but also supports them to understand the dynamics of raising capital from the market efficiently.

Overall fund raising  
on the SME platform  
was more than  
**₹5,130** Crs

**SME EMERGE at a glance**

Performance indicator	FY 2022-23	FY 2021-22	FY 2020-21
Number of companies listed on SME EMERGE (cumulative)	309	247	216
Number of SMEs listed in FY 2022-23 (new listings)	62	31	8
Mobilization of capital through SME IPOs	₹1,330.24 Cr.	₹503.57 Cr.	₹79.47 Cr
Number of Companies migrated on main board	25	33	39

SME EMERGE extends various concessions and support mechanisms to help SMEs effectively capitalize on the opportunities presented by the capital market. Some of the key initiatives undertaken include:

- The exchange has initiated action with the MSME Ministry, Government of India, to establish a daughter fund under the Self-Reliant India Fund.
- Additionally, theme-based awareness sessions have been conducted at regional levels in collaboration with professional bodies such as ICAI and ICSI, industrial associations, industrial clusters, and focused group meetings. Monthly business meets at the CXO level have also been organized to foster engagement and exchange of ideas.
- NSE has also approached State MSME departments to promote SME listing and has been actively engaging with various stakeholders such as banks, DIIs, MFs, and State Financial Corporations to create a dedicated fund for investing in SMEs.
- Recognizing the importance of capacity building, NSE provides hand holding and training to enhance companies' capabilities. Efforts have been made to activate many merchant bankers, bringing a competitive edge to

the platform. Engagement with banks has been undertaken to identify eligible SMEs, while compliance training for promoters and your Company employees ensures adherence to regulatory requirements.

- Relaxation in entry and reporting requirements: In terms of reporting, SME's are required to report only on a half-yearly basis aligned with the LODR requirements in contrast with the quarterly reporting requirements for the main board.
- Awareness building initiatives are organized often in collaboration with professional bodies, industrial associations, and industrial clusters. Additionally, focused group meetings and monthly business meets are also convened to raise awareness and extend support. Training sessions focused on compliance (capital markets certification programme), basics of capital market functioning (NSE capital market awareness programme), the IPO process and other relevant themes are also conducted.
- Support is provided in IPO, FPO, Preferential and Rights issue for SMEs to help them meet their additional funding requirements. We also connect SMEs with merchant bankers,

intermediaries among others.

These strategic collaborations and initiatives demonstrate NSE's commitment to supporting the growth and success of emerging enterprises through its regulated EMERGE platform.

We continue to build our capabilities and networks towards creating novel solutions to fuel the growth of India's SME ecosystem. We actively scout for prospective SMEs for the platform by collaborating with state governments and local bodies. NSE has signed MOU with Government of Chhattisgarh and Government of Telangana, as per the understanding with respective government, awareness drive will be conducted through seminars, MSME camps, knowledge sessions, road shows, workshops to guide corporates across the state for fund raising on NSE Emerge platform and also handhold the companies in the listing process.

In FY 2022-23, we conducted **143** workshops aimed at building the SME ecosystem.

## Intellectual Capital

“Leveraging our digitally augmented approach towards accelerating business growth and supporting ethical market functioning”

Strategic Intent	Material topics	Performance highlight FY 22-23	SDGs in focus	Outlook
Fostering a culture of innovation and digitisation to strengthen service quality and security. Enhancing the resilience and scalability of critical systems through an improved monitoring framework.	<ul style="list-style-type: none"> <li>• Innovation &amp; technology</li> <li>• Market integrity &amp; stability</li> <li>• Business continuity &amp; technology risk</li> <li>• Expanded system monitoring framework</li> </ul>	<ul style="list-style-type: none"> <li>• In FY 22-23, our cash spend on capital and operational expenses pertaining to technology was approximately ₹835 Crs</li> <li>• We have a strong technology workforce of approximately 2,429 people</li> </ul>	 	Building long term computing capacity by transforming the data centers, bringing agility in technology infrastructure, continue making sustained technology focused investments to integrate next generation digital capabilities in services and supervisory activities

## Interrelationship between capitals



**Capital Trade-offs:** Our intellectual capital is the key driver of value creation for the financial, manufactured, and human capital. We are working towards further leveraging our intellectual capital to enhance value creation across the natural, social and relationship capital.

## Introduction

Over the past two decades, we have witnessed the transformative power of digital innovation and technology in shaping the economy. As a leader in India’s capital market, we have been at the forefront of driving digital transformation in this sector. Today, our customers have high expectations for our services and products, demanding world-class technologies to meet their needs. This has motivated us to continually upgrade our digital capabilities and embrace next-generation technologies, guided by the trust and expectations of our stakeholders.

Our consistent investments in incorporating emerging technologies

into our offerings have allowed us to establish a technology-centric approach as a competitive advantage. We recognize that innovation and technology are integral to our customer-centric focus, crisis management capabilities, and commitment to maintaining market integrity. Technology serves as a linchpin, enabling us to achieve operational efficiency and resilience while fostering transparency and superior surveillance capabilities. These advancements support our regulatory function, ensuring market reliability, quality and integrity.

Drawing on our technological expertise and organizational knowledge base, we are able to identify and address key market risks, safeguarding against

disruptions. Furthermore, technology plays a crucial role in our business continuity plans, ensuring the stability and integrity of our platform.

Collaboration and co-creation are central to our approach as we seek to develop unique solutions that leverage our experience, market insights, and a deep understanding of emerging technologies. We aim to build intellectual capital and foster a vibrant, inclusive, ethical, and digitally empowered marketplace. By staying at the forefront of technological advancements and embracing collaboration, we are committed to shaping a dynamic and digitally empowered future for the capital market in India.

## 1. Innovation and technology

Innovation, technology, and digitization are integral to our business operations. We recognize the importance of leveraging technology to enhance performance and deliver exceptional services to our stakeholders. To achieve this, we have implemented a comprehensive technology strategy focusing on system availability and minimizing service downtime.

Our technology and innovation strategy prioritizes speed, low latency, robustness, and security in all our systems and processes. By embedding these qualities, we are able to respond effectively to unforeseen circumstances and maintain operational continuity. Furthermore, our strategy emphasizes a collaborative approach to redesigning and re-imagining our customer touch points. We aim to create unparalleled customer experiences by leveraging technology and innovation. Simultaneously, we drive operational excellence by streamlining our internal processes and optimizing efficiency. To support our technology-oriented endeavours, we forge partnerships with industry-leading vendors. We collaborate with reputable companies such as Microsoft, Red Hat, IBM, and others who Gartner has recognized in their top quadrants. These partnerships enable us to access cutting-edge solutions and leverage the expertise of industry leaders in our pursuit of technological excellence.

Our commitment to innovation, technology, and digitization permeates every facet of our business. By embracing these principles, we strive to deliver superior services, enhance customer satisfaction, and remain at the forefront of technological advancements in our industry.

NSE manages new technology

opportunities through a systematic evaluation process. The organization continuously assesses the technology solutions currently deployed and compares them to the capacity demands of the business. This evaluation is conducted to identify areas for improvement and enhancement.

To address these opportunities, NSE undertakes Modernization and Transformation Projects. These projects are designed to upgrade and transform the organization's technology infrastructure, aligning it with the evolving needs of the exchange. By implementing these projects, NSE aims to enhance service delivery and operational efficiency.

Through careful planning and evaluation, NSE ensures that its technology solutions can support the exchange's operations effectively. The organization keeps a close eye on emerging technologies and industry trends, considering their potential to meet the evolving needs of the business.

By actively managing new technology opportunities, NSE remains at the forefront of technological advancements in the financial industry. This approach enables the organization to leverage innovative solutions and stay competitive in an ever-evolving market landscape.

NSE has policies to ensure the constant upgrading of technology used within the organization. The IT Asset Obsolescence policy helps identify assets that have reached their End of Life (EOL) or End of Support (EOS) and need to be replaced. This policy undergoes an annual review, and investments are budgeted accordingly to address the obsolescence of assets.

In addition to the policy-driven approach, NSE conducts regular

system assessments and validations. These assessments aim to identify opportunities for service enhancement through automation, optimization, and consolidation wherever appropriate. By evaluating the existing technology landscape, NSE can identify areas where upgrading or optimizing technology can improve efficiency and effectiveness.

Furthermore, regulatory requirements can also present opportunities for technology optimization and upgrades. NSE stays abreast of regulatory directives and leverages them as catalysts for technology improvements. By aligning with regulatory requirements, NSE ensures that its technology infrastructure remains compliant and capable of meeting evolving industry standards.

Our dedicated technology leadership team convenes cross-functional consultation sessions to seek inputs for technology roadmap development. Through this consultative process, the feasibility of integrating emerging technologies is evaluated. The final technology adoption roadmap with short-term, and long-term plan is submitted to the Board for inputs and final approval.

The technology adoption roadmap is periodically appraised in the context of emerging business needs, regulatory requirements, advisories, recommendations from information security audits and findings from operational excellence-oriented drives.

Overall, NSE employs a proactive approach to technology management. Through policies, regular assessments, and compliance with regulatory requirements, the organization identifies and executes technology-linked upgrades to maintain a robust and modern technology ecosystem.

## Technology adoption roadmap

### Short-term aspirations

- Cloud2.0 Private cloud Enhancement along with fully Automated Provisioning solution.
- Zero-Incident Operations (Service level monitoring, outage avoidance, operations automation).
- Infrastructure automation using Control-M, Ansible, Service-now, etc.
- Enhanced observability platform for IT Infrastructure Log & Predictive Analytics.
- The complete automation of IT Infrastructure (Infrastructure as a Code) to improve the efficiency, time to deliver and avoid manual errors / interventions.
- Backup Solution – Modernization & Optimization (faster backup & recovery, encryption) protection.

### Medium to long-term aspirations

- Modernization of trading platform to build highly scalable, resilient and fault tolerant trading application components to improve throughput by 3-4 times increased focus on improving technology and operational resiliency through a strategic program.
- Building strategic Production Data Center, Near DR Data Center and Proximity Data Center for members on hyper scalar collocation data center architecture to support future generation, software defined technology infrastructure, for supporting exponential growth of capital markets.
- Building API gateway for clearing and data APIs.
- Building future generation unified risk and collateral management platforms across all asset classes based on cloud native, modern applications technology stack.
- Modernization of clearing and settlement systems based on cloud native modern applications stack leveraging latest in-memory databases and low latency service bus architecture.
- Modernization of data warehouse architecture.
- Predictive NSE Applications & Infrastructure Operations.
- New production DC & near DRDC (tier iii or tier iv) – To meet capacity expansion requirement for business sustenance.
- Change in the Operating Model of Co-location Services to “Proximity Service Provider” model to draw the long-term roadmap for the Member Collocation Services.
- Auto-heal of critical infrastructure incidents / service requests.

### Empowering employees with the power of digitization

At NSE, we prioritize technology and innovation-backed initiatives to enhance employee efficiency and elevate work experience. We have implemented Microsoft Teams, a technology-driven collaborative work tool to foster collaboration and seamless communication. Additionally, we have undertaken automation initiatives to minimize manual and

repetitive tasks, streamlining processes and freeing up valuable time for our employees. These automation efforts also extend to reducing incidents and service requests, ensuring smoother operations and improved service delivery. Furthermore, we provide our employees' access to an online learning platform, specifically LinkedIn Learning, which empowers them to enhance their skills and stay current with industry trends. We conduct technical training programs through

our Learning & Development vertical to support their technical growth. We are committed to nurturing a dynamic and efficient workforce at NSE through these various technological advancements and innovation-driven strategies.

We gave specialized training courses on numerous technology and digitalization themes in order to enable employees to effectively use digital tools.

		Overview of key technology focused programs undertaken in FY 22-23				
		Sr. no	Program	Roll-out rationale	Brief description of the initiative	Program outcomes
Employee focused digital initiatives	Digitization of the workplace	1	Disaster recovery(DR) site shifted to STT Ambattur, Chennai	DR Migration to STT Ambattur, Chennai has been successfully carried out in six weeks' time	DR data center with higher capacity	
	MS Office365, Citrix VDI, Vmware Remote Desktop access on any device					
	Collaboration tools	2	Network area storage (NAS) to Share-Point Online migration	Use of modern technologies	40 TB user data migrated from network area storage (NAS) to Share-Point Online increasing accessibility of data for users working from home and from office	Increased accessibility of data for users working from home and from office
	Microsoft teams, MS Share-Point, MS Office 365 tools, CISCO WebEx					
	Single Window Staff IT Support portal					
	Agile Development Tools & Framework deployments					
	Artificial Intelligence (AI) & Robotic process automation (RPA)					
Biometric Authentication						
Mobile imaging for staff						

## Technological Milestones

In FY 2022-23, NSE achieved several significant milestones in technology adoption and innovation deployment. Some of these milestones include:

- a. **Launch of NCL SAAS Project:**  
NSE successfully launched the NCL SAAS (Software as a Service) Project, ensuring compliance with SEBI regulations.
- b. **NSE Private Cloud 2.0:** The launch of NSE Private Cloud 2.0 marked a significant advancement in providing virtual operating systems to internal applications. This self-service-based delivery system enabled more efficient and streamlined operations.
- c. **Reduced RTO for DR Switchover:** By implementing storage-based DC-DR (Data Center - Disaster Recovery) replication, NSE achieved a remarkable reduction in Recovery Time Objective (RTO) for Disaster Recovery Switchover. The time was reduced from 90 minutes to an impressive 17 minutes, ensuring

enhanced resilience and business continuity.

- d. **Successful completion of NDAL - CKYC DR:** NSE achieved a successful live operation of the National Digital Account List (NDAL) - Central Know Your Customer (CKYC) Disaster Recovery (DR) setup for the first time. This achievement demonstrated NSE's commitment to robust disaster recovery capabilities.
- e. **IT Infrastructure - Managed Services ISO20000 Certified:** NSE's entire service delivery for IT infrastructure managed services received ISO20000 certification. This certification highlighted NSE's adherence to international best practices in service management, ensuring high-quality service delivery to stakeholders.

These milestones in technology adoption and innovation deployment underscore NSE's commitment to leveraging advanced technologies and continuously enhancing its

infrastructure to provide stakeholders with reliable, efficient, and secure services.

## 2. Market integrity, stability and enforcement

We have always prioritized fair and ethical market practices, and our surveillance and regulatory mechanisms play a critical role in ensuring market integrity and stability. We enforce rules and regulations that our customers and partners must comply with, and we actively promote awareness and understanding of these requirements through advisories and awareness sessions.

In the fiscal year 2022-23, we focused on enhancing our surveillance capabilities and introducing new protocols to strengthen our market surveillance activities. We continuously review and update our surveillance framework and models to effectively detect and manage market abuses. Some of the key initiatives implemented during this period include:

- Enhancement of pattern recognition models to improve the detection of market abuse practices.
- Enhancement of alerts to identify market abuse practices in equity derivatives out-of-the-money (OTM) contracts.
- Deployment of a new alert to identify trading activity disproportionate to the income level declared by the trading member's clients.
- Deployment of a new alert to identify multiple client registrations with common contact details.
- Implementation of a new alert specific to scrips in the SME segment.

In addition to these measures, we have also introduced proactive volatility control mechanisms to ensure orderly trading such as:

- Moneyness-based flexing for options: Contract level flexing allowed in Index & Stock options contracts in OTM strikes & ITM strikes that are within X% away from the prevailing underlying price.
- Limit Price Protection (LPP): Any incoming Limit order placed beyond the LPP range/limits is automatically rejected.
- Market Price Protection (MPP): Market orders are allowed to trade only up to a specific mark-up over the reference price, i.e., LTP
- Hard upper limits on Option price range: Hard OPR limits does not allow contract level OPR flexing beyond a certain extent without having justified movement in the underlying price.

By continually improving our surveillance infrastructure and technology, we remain committed to maintaining a fair, transparent, and secure market environment for all participants. Our regulatory role and supervisory practices are governed and guided by; SEBI, the Ministry of Finance (Department of Economic Affairs - Capital Markets Division) and RBI. Our regulations and advisories cover topics

such as member registration, securities listing, transaction monitoring, compliance by members with SEBI/ RBI regulations and investor protection, among others.

We work relentlessly to obviate market failures by employing multi-pronged risk management measures. Our risk management systems and procedures are periodically upgraded to mitigate emerging and novel risks. Our approach to risk management includes active measures that aim to monitor:

- Member performance and track record
- Capital adequacy requirements for members
- Strict margin requirements
- Collateral and automatic disablement from trading when limits are breached
- Member positions

Exchange set up a separate department last year, named Listing Investigation which is designed to look at the trading / compliance data of listed entities and amongst other matters, handle complaints related to fraud, diversion, and siphoning or misappropriation of funds. The department will also examine transactions involving resources of the listed entity but undertaken for the ultimate benefit of promoter/promoter group, fraudulent related party transactions wherein financial and governance issues are inter-linked, and a holistic examination is required.

Exchange has also developed various large scale online systems such as client margin collection by members, availability of creditors funds on aggregate basis with the members, settlement of client funds across all Exchanges to monitor the members under off-site supervision. Stricter monitoring policy has been implemented for the members with serious/ repeat material violations. Mystery shopping on the basis of news circulated in market to identify assured return schemes run by members/ individuals/entities was initiated

and issued public notices to caution investors to stay away from various unregulated schemes/ products/ entities.

## Enforcement

The disciplinary jurisdiction over the Trading Members registered with the Exchange is with the Member and Core Settlement Guarantee Fund Committee ("MCSGFC"). The observations pertaining to the violations involving disciplinary actions like the prohibition of on-boarding of new clients and Authorized Persons, disablement, suspension, expulsion, and declarations of default are placed before Member and Core Settlement Guarantee Fund Committee ("MCSGFC"). In such cases, the Exchange issue a show cause notice and provide an opportunity of personal hearing before MCSGFC. The MCSGFC, follows the principles of natural justice, decides on case to case basis as per the defined penalty structure.

The Enforcement Team has issued 119 show-cause notices and placed more than 3500 cases before the MCSGFC during the financial year 2022-2023. The Committee has imposed a monetary penalty of around ₹25 Cr., ordered disablement/suspension of 3 members and declared 1 member as defaulter.

De-listing committee has the authority for compulsory de-listing of companies. The Exchange has de-listed 04 companies that were suspended for more than 6 months for non-compliance with the erstwhile Listing Agreement/ SEBI (LODR) Regulations, 2015 and who did not complete formalities for revocation within stipulated timelines in financial year 2022-23. Further, Exchange has de-listed 01 Company that was suspended for more than 6 months pursuant to liquidation in financial year 2022-23.

## Overview of surveillance measures and Investigation reports

Sr. No.	Particulars	Count
1.	Additional Surveillance Measure (ASM)-IBC	74
2.	Additional Surveillance Measure (ASM)-long term	453
3.	Additional Surveillance Measure (ASM) - short term	581
4.	High encumbrance (Promoter Pledge)	58
5.	Graded Surveillance Measure (GSM)	28

Sr. No.	No. of Investigation reports submitted to SEBI	Unique scrips covered in these Investigation reports
1	41	Scrips – 488, Contracts - 992

### Education to Market Participants

Ensuring market integrity is a top priority, and education is crucial in promoting a fair and transparent

stock market. At NSE, we have various programs to educate market participants and enhance their understanding of market practices and regulations. By improving their knowledge and understanding of

market practices, we strive to create a level playing field and maintain the highest standards of market integrity. The data below is with respect to awareness about capital markets to new/existing investors

Program Name	Number of programs	Number of participants for in the program
Basics of Commodities Market	611	18,305
Basics of Securities Market	2,812	1,68,121
Financial Literacy	1,538	76,850
Introduction to Bond Markets	4	148

### 3. Business continuity and technology risk

At NSE, business continuity and market stability are paramount as we recognize the criticality of maintaining uninterrupted operations and safeguarding the stability of the market in which we operate. We achieve this through a carefully crafted Business Continuity Management (BCM) policy, reinforced by a robust governance structure, detailed procedures, and thorough testing and training programs. Our commitment to business continuity is further enhanced by our infrastructural measures, which allow us to navigate and recover from disruptions effectively. Our organization has developed a comprehensive business continuity plan that effectively addresses various emergencies. Our BCM policy aligns with SEBI's 'Business Continuity Management and Disaster Recovery' guidelines.

To ensure the effectiveness of our business continuity efforts, we have established a robust governance structure. This includes our Board and Management Level committees, which oversee the implementation of the BCM framework. We also have

dedicated teams, such as the Crisis Management Team (CMT), responsible for managing the execution of the plan during emergencies.

Supporting our BCM policy is a well-defined business continuity procedure document. This document outlines our event handling strategies, disaster recovery procedures, and planned administration support. It covers maintenance, change management, training, testing, and evaluation. This document enables us to develop adequate emergency response, resumption, and recovery plans by systematically addressing disruptions. It also includes a call tree, ensuring the availability of critical resources, and defines the roles and responsibilities of various BCM functional teams.

We conduct regular testing and training activities to validate and enhance the effectiveness of our BCM protocols. This includes BCM live sessions held twice a year over two working days and external mock drills conducted quarterly. These activities ensure organization-wide awareness and preparedness, enabling us to respond swiftly and effectively to disruptions.

In addition to our procedural measures, we have implemented infrastructure measures to support our business continuity efforts. Our Disaster Recovery (DR) and Primary Data Centre (PDC) sites are strategically located in opposite coastal directions. This geographical dispersion enhances our resilience by minimizing the likelihood of simultaneous disasters affecting both sites.

We have built the capability of switching over to DR within 45 minutes in the event of any major disruption or any disaster like events at PDC. All the switchover process has been fully automated and the entire switchover activities shall be orchestrated by a single click.

#### BCP mock drills

# 4

compliance BCP mock drills

# 2

BCP live drills

# 5

SEBI Unannounced DR Drill

## Technology risk and cyber-security

Effective management of technology risk and implementation of cyber-security measures are key enablers of our organizational resilience. We continually upgrade our systems to ensure alignment of cyber-security and technology risk management with global best practices. We enhanced the access asset management process in FY 2022-23 by implementing an automated asset discovery tool and a Software asset management tool, identity management tool for NSEIL, NCL, and NSE IFSC applications.

This has aided in keeping an updated technological asset inventory and identifying the risks associated with these assets. Some of our key measures towards effectively mitigating technology risks are:

- Enhanced protection for websites from advanced cyber-attacks: cutting-edge solutions have been applied to protect our websites from emerging threats arising from automated bots and dynamically generated domains.
- Two factor authentication on web applications: this improves authentication security controls

thereby securing member's user credentials and accesses

- User and entity behavior analysis: this initiative builds on the existing controls to detect anomalies in user behavior and prevent authentication fraud.
- Several cyber intelligence-based controls have been implemented

In FY 2022-23 we did not observe any data security breaches to our critical systems.

on existing solutions to detect and mitigate emerging threats.

At NSE, ensuring business continuity and data recovery is critical to our operations. As part of our Business Continuity Management (BCM) policy, we conduct quarterly Disaster Recovery (DR) drills and live sessions from our DR site in Chennai. These exercises help us test different systems' recovery time and recovery point objectives (RTO and RPO).

During the DR drills, data recovery exercises are an integral part of the process. Our DR switchover mechanism

includes data recovery between the DR site and the primary site, as well as the DR site and the non-disruptive recovery (NDR) site. We have built-in data replication and recovery mechanisms for applications that interact with each other to ensure data integrity.

We store data on servers for a specified period to maintain data availability and resilience. After this period, data is backed up on tapes. In the event of data restoration requirements, our operations team raises a request to the infrastructure operations team. The infrastructure team then restores the data from the tape backup.

Specific data points are also loaded and made available in our Data Warehouse (DWH) for further analysis and access. This ensures that critical data is accessible and can be utilized for reporting and decision-making purposes.

By implementing these data recovery practices and conducting regular DR drills, NSE strengthens its ability to recover and restore data effectively during any disruption. This ensures the continuity of our operations and helps us maintain a robust and resilient infrastructure.

## 4. Engaging with regulators

### • Handling of technical glitches by Members

A detailed Standard Operating procedure (SOP) was issued by the Exchange, in consultation with SEBI, to handle incidence of business disruption on account of technical glitches and to implement preventive controls by Members.

### • Unified Information Infrastructure (UII)

NSE is collaborating with SEBI for setting up a cloud based technological portal for Members which will act as a single point of interface for all Membership related requirements of Members. Multiple joint meetings have taken place with SEBI during the year to formalize uniform documentation requirements and process flows.

### • Standardization of Internal Audit Report and Risk Based Supervision formats across Exchanges

NSE under the aegis of SEBI, has collaborated with other Exchanges for standardization of Internal Audit Report and Risk Based Supervision (RBS) data submission formats across Exchanges.

### Case Study: Enhancing Disaster Recovery Efficiency for Market Continuity

Introduction: To address the challenges faced in ensuring business continuity and market stability, our organization embarked on a project to reduce the Recovery Time Objective (RTO) for fail-over to the Disaster Recovery (DR) site. This case study highlights the problems faced, the initiative implemented, challenges encountered, key innovations, and the resulting benefits.

**Problem Description:** Before June 2021, the NSE faced significant challenges with the RTO for fail-over to the DR site, which was approximately 4 hours for critical applications. The replication process heavily depended on Storage Area Network (SAN) technology, resulting in limitations. Servers and applications in the DR site were not in a ready state simultaneously, as data remained read-only until the SAN switchover occurred. Sequential activities and dependencies extended the switch to around 4 hours.

**Initiative Implemented:** A comprehensive initiative was deployed to address the challenges and comply with revised regulatory guidelines. The critical components of the initiative included:

- Shift from SAN-based replication

to online data replication at the application level.

- Implementation of Solace appliance for file-based replication.
- Adoption of Data Guard replication architecture for databases.
- Automated workflows were developed to facilitate the switchover of each application within the defined RTO, and individual application workflows were integrated into a single workflow for seamless execution.
- Architectural changes to enable active stand-by mode for critical applications at the DR site.

These measures significantly reduced the overall switchover time to 45 minutes.

**Challenges Faced:** The project implementation timeline was

ambitious, achieving completion within three months. Extensive testing was conducted during weekends to simulate various scenarios, including partial and complete fail-over, ensuring the robustness and reliability of the solution.

**Key Innovations and Best Practices:**

The initiative incorporated several innovative practices to enhance disaster recovery efficiency. Online streaming of data replication was employed to minimize data lag and ensure near real-time replication. Disaster Recovery Management solutions were utilized to automate the fail-over process for both infrastructure and applications, streamlining the overall recovery workflow.

**Social Benefits:** The initiative's implementation resulted in significant environmental and social benefits. In the event of a disaster, the switchover to the DR site and the resumption

of trading operations can now be accomplished within 45 minutes. This swift recovery capability helps maintain market stability and safeguards stakeholders' interests, contributing to overall confidence and trust in the market.

**Cutting-Edge and Innovative Approach:**

The initiative demonstrated a cutting-edge and innovative approach to disaster recovery and business continuity. The active stand-by mode for critical applications at the DR site ensures readiness and minimizes downtime. Online streaming of data replication enables quick and accurate data synchronization, reducing the risk of data loss. Furthermore, the automation of infrastructure and application fail-over through Disaster Recovery Management solutions optimizes response time and enhances overall efficiency.

## Manufactured capital

“Establishing a strong infrastructure framework to unlock boundless opportunities for our workforce.”

Strategic Intent	Material topics	Performance highlight FY 2022-23	SDGs in focus	Outlook
We prioritize strategic investments that foster innovation, enhance our ability to offer superior services and promote resource conservation.	Technology-driven infrastructural development	<ul style="list-style-type: none"> <li>• Our network comprises of 1400+ racks in 6 data centers across NSE group.</li> <li>• We currently have 3500+ servers supporting our services</li> </ul>		Developing sustainable infrastructural capabilities is essential to ensure the resilience and responsiveness of our operations.

**Interrelationship between capitals**



**Introduction**

Our robust infrastructure capabilities are at the core of ensuring reliability, resilience, and high-quality services. Our physical assets include network infrastructure, data centres, offices, servers, computer systems, and other supporting facilities.

We closely monitor our existing infrastructure assets to ensure optimal system efficiency and effectiveness. Aligning with our commitment to the environment, we carefully assess potential infrastructure investments regarding their environmental impact. Additionally, we consider the potential risks associated with our assets and consider adaptation measures when making decisions.

Our internal technology team works

closely with vendors and third-party partners to oversee the monitoring and maintenance of our infrastructure. Their diligent efforts are focused on upholding the integrity and stability of our systems, which serve as the foundation of our services. We actively gather inputs from cross-functional teams and seek approvals from senior management when formulating infrastructure plans and making investment decisions. This collaborative approach ensures that our infrastructure remains reliable and supports the seamless delivery of our services.

**1. Technology driven infrastructural development**

Through the utilization of technology, we have achieved remarkable infrastructural development. Your

Company has successfully established India's largest private nationwide area network, serving as a critical lifeline for the country's capital market. Currently, our robust telecommunication network supports more than 3,900 leased lines.

Our infrastructure is fortified by an impressive setup, including 3500 servers, over 1,400 racks, 6 state-of-the-art data centres, and power backup capabilities exceeding 11,000+ kVA to ensure seamless operations. We also possess server-class computer systems featuring fault-tolerant Stratus servers that operate continuously without disruptions. These assets facilitate real-time trading for over 10,000 users simultaneously. We are actively exploring opportunities to incorporate cutting-edge infrastructural solutions to enhance our operational efficiency and effectiveness further. Through our

ongoing commitment to technological advancement, we aim to continuously strengthen our infrastructure, enabling us to provide top-tier services and maintain our position as a leader in the industry.

Our Derivatives trading platform has undergone significant enhancements, enabling it to process around 44,00,000 orders per second. We remain committed to continuously improving our operational capabilities by embracing the latest infrastructure technologies available. In addition to our extensive telecommunication assets, we have established six regional offices strategically located throughout the country. To ensure seamless inter-office communication, we have implemented dedicated corporate network lines. These lines facilitate real-time data transmission and voice communication between our offices in Mumbai, Delhi, Kolkata, and Chennai.

By establishing these reliable and efficient communication channels, we can foster collaboration, share information, and maintain a cohesive operational network across our regional offices. This interconnected infrastructure further strengthens our ability to serve clients and fulfill their trading needs efficiently and effectively.

Efficiently managing unexpected events and maintaining market stability and integrity is our significant priority. To ensure preparedness during times of crisis, we have developed a comprehensive business continuity plan supported by robust infrastructural measures. To minimise downtime in the event of a service disruption, we have established a dedicated Business Continuity Plan (BCP) centre in Chennai. Continually enhancing our BCP infrastructure is essential to adapt to evolving risks and seize opportunities, strengthening our

operational readiness. We aim to swiftly respond to unprecedented events and minimise any potential impact on our services by investing in our BCP capabilities.

Our focus in terms of manufactured capital management will remain on enabling novel, sustainable, reliable, and first-in-the-market solutions for our customers. We believe this will help us retain our position of being a trusted service provider of choice in the years to come.

We are dedicated in providing exceptional service, staying ahead of the curve, and consistently meeting the dynamic requirements of our valued customers. Through our sustained focus on innovation, sustainability, and reliability, we strive to strengthen our position in the market and reinforce our reputation as a trusted partner.

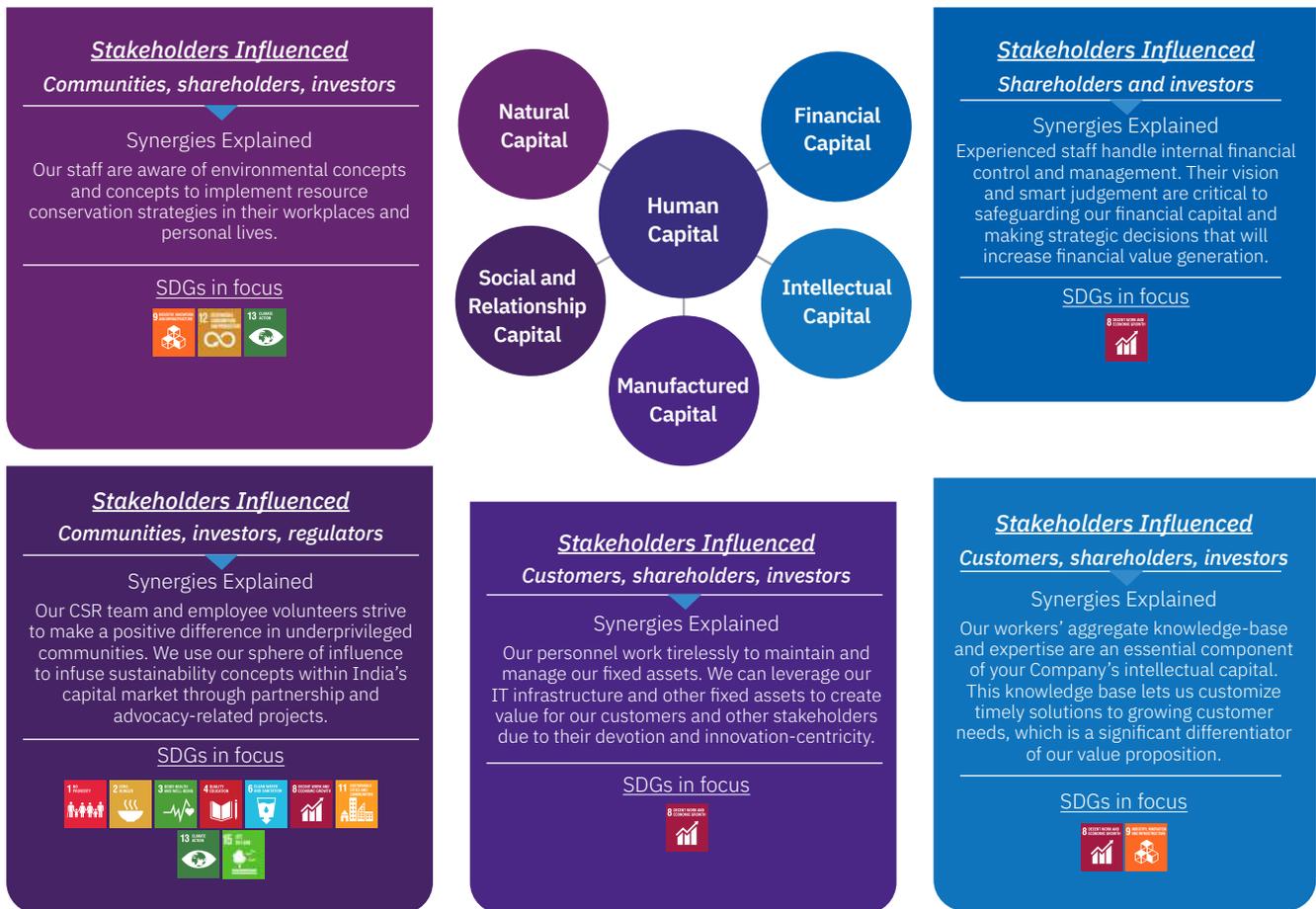


# Human Capital

“Collaboration, innovation, mutual respect and drive for excellence is at the heart of our work culture”

Strategic Intent	Material topics	Performance highlight FY 2023	SDGs in focus	Outlook
Fostering employee cohesiveness, cooperation, and innovation centricity in order to achieve a higher business value proposition	<ul style="list-style-type: none"> <li>Employee wellbeing &amp; development</li> <li>Promoting diversity</li> </ul>	<ul style="list-style-type: none"> <li>Our workforce strength stood at 1,115 employees</li> <li>Our workforce comprises of 35% female employees</li> <li>24,890 hours of employee training were imparted during the year</li> </ul>		To build a future-ready workforce, boost workforce diversity and provide employees with next-generation tools and concepts.

## Interrelationship between capitals



## Introduction

The expertise, enthusiasm and dedication of our staff members play a crucial role in establishing and maintaining our leadership position. Throughout the years, we have remained committed to creating a work

environment that fosters productivity and enables our employees to collaborate in developing cutting-edge solutions for our clients. From the beginning, we have strived to establish an inclusive and innovative ecosystem that values the perspectives of every employee.

Our organizational values emphasize mutual respect and a shared drive to achieve common objectives, and we implement programs and interventions to reinforce these fundamental aspects of our work culture. At NSE, we prioritize the growth and well-being of our employees. Our Human Resource

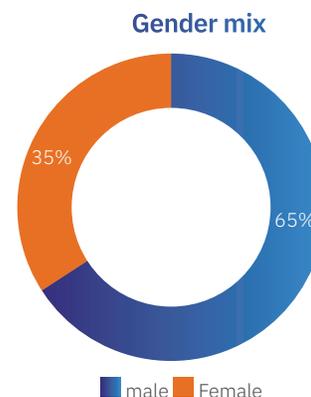
Management strategy undergoes annual reviews to ensure alignment with employee needs and emerging market trends. Our Board regularly monitors the progress of various workforce management initiatives to ensure their effectiveness.

### 1. Celebrating our diverse and vibrant workforce

At NSE, we uphold the belief that diversity in ideas, perspectives and ambitions is the driving force behind innovation and the achievement of organizational success. We take great pride in our diverse and dynamic workforce and celebrate it. Through an inclusive work environment, we ensure that every employee is treated with dignity and respect. Our aim is to both preserve and enhance the diversity within our workforce. Consequently, we are firmly committed to being

an equal-opportunity employer, which serves as a testament to this commitment. We strictly adhere to all applicable fair employment practices and equal opportunity laws at all our operational locations. Our values of equal opportunity and non-discrimination are ingrained throughout the entire employee life-cycle, which includes hiring, compensation, training, performance evaluation reward & recognition, employee engagement and other HR processes.

It is the intent and resolve of NSEIL to be fair and equitable in all facets of equal employment. NSEIL is committed to promote a non-discriminatory and an inclusive working environment and to enable persons who are differently abled, to work without apprehension of prejudice, bias and discrimination and provide the right to be treated with dignity, respect and equality.



Total number of employees	By Age Group - FY 2022-23						By Age Group – FY 2021-22					
	<30 years		30-50 years		>50 years		<30 years		30-50 years		>50 years	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Top Management - MD Directs	0	0	2	0	8	1	0	0	2	0	6	1
Senior Management - VP / SVP	0	0	29	5	25	5	0	0	39	10	19	3
Middle Management - AVP / CM	0	0	97	22	9	3	0	0	104	41	5	1
Junior Management - Below SM	206	198	345	144	11	5	219	186	390	154	11	6

NSE encourages maternity as well as paternity leaves across the workforce. The employees that availed parental leaves for the reporting year is provided below:

Total number of employees that took parental leave, by gender (FY 2023)	
Male	Female
20	20

Number of employees that returned to work in the reporting period after parental leave ended (FY 2023)	
Male	Female
20	14

Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender (FY - 2023)

Male	Female
19	11

Return to work rate	
Male	Female
100%	100%

Retention Rate	
Male	Female
95%	85%

## 1. Employee well-being and development

### Employee Learning & Development

Training, mentorship and other interventions that augment employees' professional growth

### Employee Engagement

Understanding employee needs, aspirations and concerns

### Employee Well-being

Ensuring the good health of employees and providing a fulfilling work-experience

Enhancing the overall work environment and fostering the growth of our employees are integral elements in establishing a comprehensive and rewarding workplace. NSE prioritizes the customization of our employee engagement and development endeavors to effectively tackle the ever-changing and intricate requirements of our evolving business environment. Through our enduring commitment to nurturing the personal and professional advancement of each employee, we have achieved remarkable progress in exploring novel opportunities for growth.

### 1.1.2. Employee learning and development: catalyzing employee growth

Continuous employee learning and development plays a crucial role in facilitating organizational growth within the ever-changing business environment.

FY 2022-23 continued to be a year of leveraging digital medium for learning and development interventions. Key focus was to continue to build and strengthen customized learning pathways in terms of design and content, by factoring in user experience and requirement. In context of same, Learning Management System (LMS) was implemented as a single platform to drive unique learning experience. All new hires are assigned an Induction Learning Journey through LMS during their first week of joining to orient them about the organization. Additionally, virtual instructor led induction programs were conducted on quarterly basis for new hires.

L&D team partnered with LinkedIn Learning to promote culture of self-learning in the organization by providing structured online learning content to employees.

The Learning & Development interventions were linked to the role and level and were designed basis 3 vital inputs viz. training need identification taken from various stakeholders, the future skill needs and business requirements. L&D Plan

at NSE for FY 2022-23 was purely based on the learning delivery as per needs identified by the business.

L&D team focused on designing learning solutions in Functional & Technical and Behavioral competencies.

**Functional and Technical Learning:** In FY 2022-23, the team partnered with reputed knowledge partners to offer Functional and Technical training through virtual, classroom as well as blended delivery mechanics intended to enhance operational skills that covered technical as well as regulatory areas.

**Behavioral Training:** In FY 2022-23, NSE HEART (Happy, Effective, Adaptive, Responsible, Team Oriented) an Organization Development (OD) intervention was launched to facilitate "cultural shift" and to drive One-NSE culture. This was an outbound intervention which was targeted based on predefined criteria. Total 530 employees were covered under this program. The focus areas of this program were Collaboration, Cross Functional Teamwork and Positive Orientation towards work and organization.

The expectations of employees vary across different levels, as do the leadership competencies needed. To address this, we have developed comprehensive and enduring training programs, equipping personnel with the necessary skills for career progression and the leadership qualities essential for current roles.

### Health and Safety

We offer a range of programs aimed at promoting a proactive approach to health. Our primary concern in terms of safety is fire safety. Regularly, we conduct sessions to educate all new employees on the fundamental principles of firefighting. Additionally, we provide hands-on training for fire safety on a regular basis, with each session lasting from 1 to 1.5 hours, covering all offices across India. In the FY 2022-23, a total of 272 individuals, including support staff, received hands-on training in fire safety, which encompassed an introduction to firefighting equipment, practical use of portable fire extinguishers, and other safety devices. Furthermore, the organization has developed an e-Module on fire safety, which now is part of induction program.

### Policy and Compliance

It is our endeavour to acquaint each newly hired individual with the policies and regulations during their initial day of joining. The fundamental guidelines and procedures are further emphasized throughout the comprehensive two-day orientation program, meticulously crafted to orientate employees, and acquaint them with the different departments and their activities.

No of Employees Trained on	Total Number of Employees trained through training programs		
	Male	Female	Total
Skill Up-gradation	141	74	215
Leadership skills	332	179	511
Policy and Compliance	302	183	485
Health and Safety	158	114	272
Others, if any	0	0	0

Details of training hours (FY 2022-23)	Employees at Senior management level		Employees at Middle management level		Employees at Junior management level		Total hours
	Male	Female	Male	Female	Male	Female	
Skill Up-gradation	0	0	86	35	1,100	715	1,936
Leadership skills	0	0	56	8	6,651	3,635	10,350
Policy and Compliance	3	0	556	175	5,932	3786	10,629
Health and Safety	1	0	15	2	142	112	272
Others, if any	24	0	69	8	186	0	1,703

Total training hours for our permanent employees was

**24,890**

hours during the reporting year.



### Nurturing employee health and wellness

NSEIL strives to drive excellence in people’s practices by promoting a culture of care and empathy for its employees. In today’s age of a high-paced lifestyle, health and wellness is a critical need and vital to building a happier workplace. NSE’s Health and Wellness policy covers the following aspects to provide a holistic coverage to the employee and their family –

- a. Group Medical Insurance – All the employees and their family members (includes Self, Spouse, up to 2 children and parents) are covered.
- b. Group Personal Accident Insurance – All the employees are covered under this policy, which provides a safety net to cover unforeseen circumstances in an employee’s life like death or disability on account of an accident.
- c. Group Term Life Insurance

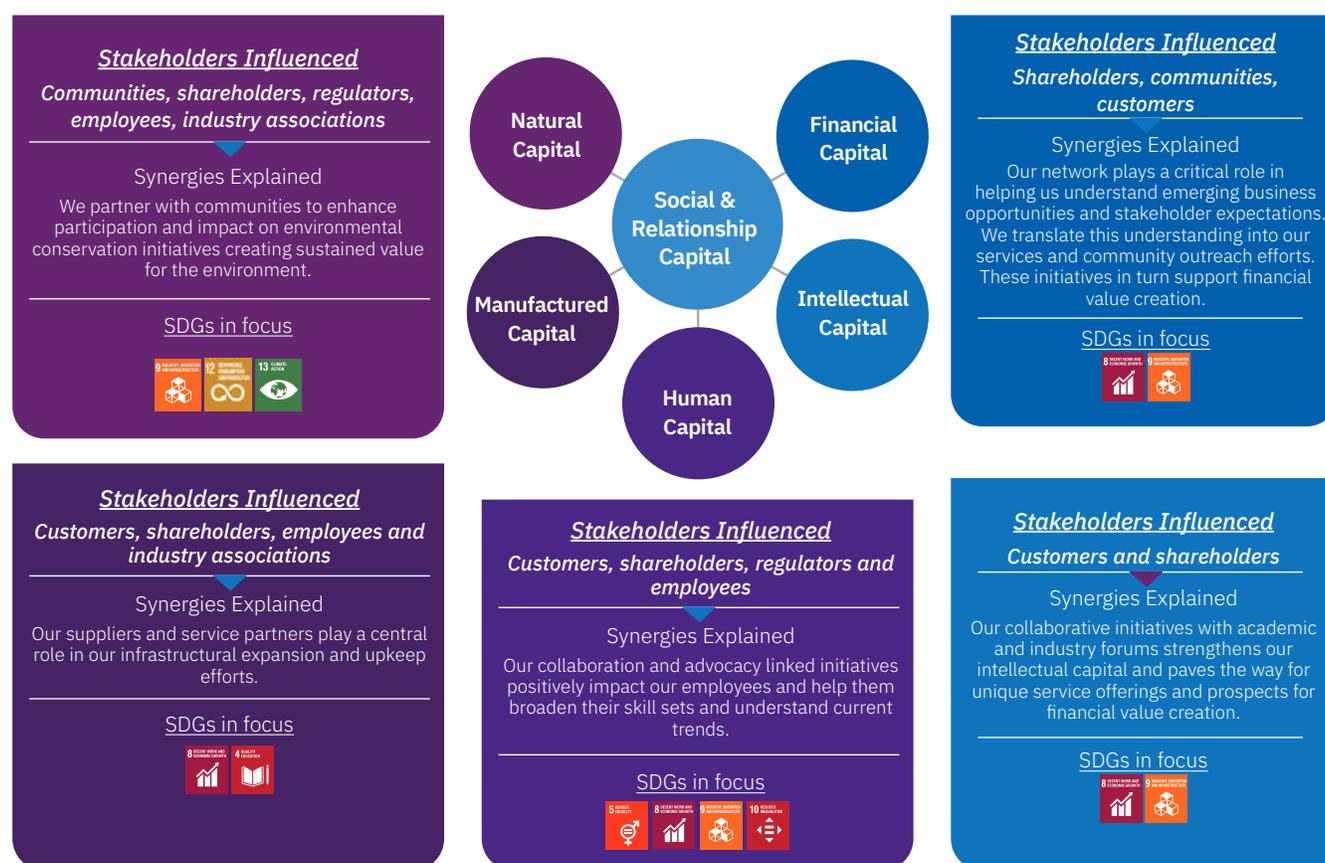
- This is an annual master Group Policy availed by NSEIL and its subsidiaries to cover all its employees against death due to any reasons viz., accidental and natural
- d. Annual Medical Check-up – All confirmed employees across all age groups and all career stages of the organization are eligible for preventive health checkup - Once in 3 years for employees who are aged 39 years and below and once a year for employees who are aged 40 years and above.
- e. In-House Medical Facility – On-site health care consultation is made available within the Exchange Campus. This includes Physician Room & On-site doctor and Medical Emergency Room
- f. Gym and Yoga Facilities - NSE has also extended Yoga and Gymnasium facility On-site for its employees to cater to fitness.

## Social and Relationship Capital

“Building relationships and capabilities towards galvanizing grass-root level transformation.”

Strategic Intent	Material topics	Performance highlight FY 2021-22	SDGs in focus	Outlook
Build and nurture meaningful and sustainable relationships to enable transformational growth and shared prosperity.	<ul style="list-style-type: none"> <li>• Collaboration and advocacy</li> <li>• Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Around 9+ Lakhs lives touched through our community development programs</li> <li>• ₹31.12 Crs spent on CSR activities</li> <li>• We conducted 4,965 Investor Awareness Programs (IAP) covering over 2.65 lakh participants</li> </ul>		Promote collaborative and multi-stakeholder participatory approach to creating a market culture rooted in sustainability

### Interrelationships between capitals



## Introduction

At the NSE, we adhere to a corporate philosophy that emphasizes the cultivation of an inclusive and growth-oriented environment, where every stakeholder is respected and

empowered. Over time, we have established a dynamic and diverse network of relationships that have fueled our ability to generate mutually beneficial outcomes. Our business model encompasses various roles, including that of a service provider,

a regulator, a facilitator of capital formation, and a responsible corporate citizen. Each of these roles carries its own unique responsibilities and presents compelling opportunities for our business. We dedicate our time, effort, and resources to strengthen

these synergies and reinforce the trust placed in us by our stakeholders. We actively engage in dialogues with each stakeholder group to identify areas of common action and service potential. Furthermore, through collaborative initiatives and advocacy, we are committed to leveraging our influence to foster a shared sense of responsibility towards sustainable development. Our programs and outreach endeavors aim to promote financial reform, ethical practices, and instill a socially conscious approach to conducting business. We encourage our customers and partners to integrate sustainability values into their operations, thus expediting the transition towards a sustainable and inclusive economy. In addition to our operational scope, we remain attuned to the evolving needs and aspirations of marginalized and under-served communities. We strive to create sustainable, tangible, and meaningful impacts at the grassroots level. Our community development programs are designed to align with societal requirements and national developmental priorities.

### Our commitment to our customers

Maintaining relevance to meet customer needs and desires lies at the core of our customer-centric approach. By combining our market insights with innovation, we consistently deliver exceptional customer experiences. Our wealth of knowledge and expertise allows us to incorporate advanced capabilities, thereby enhancing the overall customer experience. The trust our customers place in us stems from the inherent reliability and integrity deeply embedded in our brand identity and services. We demonstrate our dedication to customer well-being and transparent information disclosure through our customer responsibility policy. This policy ensures that we provide comprehensive and transparent information about our services, associated risks, terms and conditions, and transaction charges.

In addition to offering cutting-edge tools and technologies to enhance the user interface for our customers, we also prioritize equipping them with the necessary knowledge to effectively utilize our services. To achieve this, we conduct various capacity-building and awareness programs covering essential topics such as financial planning, investments, security market structure, regulations, and the services offered by NSE. These sessions are held across different regions in India in collaboration with the following affiliated organizations:

1. SEBI, SEBI-registered investor associations, and NSDL.
2. Defense, police, and other administrative groups
3. Small-scale entrepreneurs
4. Jewelers, traders, farmers, and MSMEs
5. Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI)
6. Rotary clubs, Lions groups, women's self-help groups, and similar organizations.
7. Artisans and female traders
8. Educational institutes
9. Corporations
10. Public open programs

Key highlights of our Investor Awareness Programmes (IAPs) include the following:

- In the FY 2022-2023 NSE has conducted a total of 4,965 Investors awareness programs vide webinars and on-ground seminars covering approximately 2.65 lakh+ participants conducted with SEBI, General Public, Education Institutes, Corporate and Commodity (FPOs & MSMEs)
- NSE's outreach program (IAPs) is geographically spread across 33 states and Union Territories and programs were conducted in 18 languages.
- NSE has done 460 IAPs with CBSE school teachers.

- Booklet on Investor awareness were distributed / emailed to participants.
- Pre-IAP and post-IAP surveys are done to understand expectations and for feedback.
- The Member Satisfaction Score Index for the FY 2022-23 was 77
- With the support of SEBI and IOSCO, we actively participated in the World Investor Week 2022. We organized the Ring the Bell event at both the NSE Exchange Plaza in Mumbai and the NSE IFSC in Gandhinagar.
- In collaboration with SEBI and the OECD International Network, we joined the Global Money Week 2022, an annual global campaign to promote financial education.

Collaborations and advocacy: leveraging synergies to drive positive change

We actively collaborate with various associations, chambers of commerce, industry bodies, and other platforms, which afford us the opportunity to exchange information, foster valuable networks, and cultivate relationships. Our memberships in these organizations enable us to contribute to the betterment of society, advocate for socioeconomic reforms, and promote business practices founded on principles of good governance and efficient administration. Some notable trade associations we engage with include:

1. Confederation of Indian Industry (CII)
2. Federation of Indian Chambers of Commerce and Industry (FICCI)
3. International Options Market Association (IOMA)
4. PHD Chamber of Commerce and Industry
5. Small & Medium Business Development Chamber of India
6. The Associated Chambers of Commerce and Industry of India
7. The Associated Chambers of Commerce of India (ASSOCHAM)

8. The Foundation for Millennium Sustainable Development Goals
9. World Federation of Exchanges (WFE)
10. Futures Industry Association (FIA)
11. International Organisation of Securities Commissions (IOSCO)
12. World Gold Council (WGC)
13. Indian Bullion and Jewellers Association (IBJA)
14. All India Gem and Jewellery Domestic Council (GJC)

We provide assistance in the establishment of sustainable and fair national policies by engaging in proactive collaborations with various regulatory bodies responsible for overseeing the financial and securities sectors of our nation. Our organization takes the lead in driving and actively participating in discussions related to policy matters through platforms such as panels, round table conferences, and seminars. These discussions involve key stakeholders including market participants, industry representatives, officials from the financial ministry, and regulators. Moreover, we actively contribute to global conversations concerning sustainability, economic progress, and balanced growth by leveraging our membership in esteemed organizations such as the Sustainable Stock Exchanges Initiative, the World Federation of Exchanges, and IOSCO.

## Overview of key advocacy and capacity building oriented initiatives

### 1. Social Media

The National Stock Exchange of India Ltd (NSE) is utilizing digital media platforms to effectively communicate with its audience. Through its official channels, namely Twitter (@NSEIndia), YouTube (@NSEIndia), Facebook (@NationalStockExchange), LinkedIn (@NSEIndia), and Instagram (@NSEIndia), the NSE imparts valuable knowledge to investors regarding essential financial and investment-related concepts. These

platforms are employed to tailor the delivery of messages based on the recipient's profile. The NSE YouTube channel hosts concise video content, which investors utilize to demystify capital markets, comprehend macro and microeconomic concepts, and gain insights into exchange-traded products. This empowers investors to engage in meaningful discussions with experts in the field. The NSE Twitter platform plays a vital role in keeping the investor community and other stakeholders informed by sharing significant information, data, and developments pertaining to the Indian capital markets, policy decisions, and other news related to the market.

The NSE has established a considerable social media presence, with over 671,615 followers on NSE Twitter, 623,609 on NSE Facebook, 195,210 followers on NSE LinkedIn, 88,318 followers on NSE YouTube, and 174,622 followers on NSE Instagram.

### 2. NSE Website

Our website serves as a comprehensive resource that caters to the information needs of our stakeholders. It encompasses a wide range of ongoing activities at NSE and can be regarded as the primary destination for addressing any inquiries from users. Our website offers extensive information about our products and services, trade details, market data, listing circulars, press releases, media coverage, and various other relevant information. Exchange connects with the listed companies through in person visits. Also, in case of a major regulatory change impacting listed entities seminars and webinars are conducted for all the listed entities. For ease of doing business mobile number of all the officials along with the activity is provided to all the listed entities

### NSE's Comprehensive Efforts to Promote Investor Education and Awareness

Empowering investors through education and awareness is of

paramount importance to NSE. NSE has been undertaking a number of initiatives to promote financial literacy in the country and bring about awareness in securities market in order to introduce an important asset class for their financial well-being and protect their interest.

- A. Programmatic advertisement campaign – NSE explored and successfully ran 3 programmatic advertisements - campaigns which included Paid social media posting (Facebook, LinkedIn, Twitter, and Instagram), Programmatic advertisements (Multiple websites) and YouTube advertisements to caution investors on three important topics with a total reach of 79 million+ impressions:
  - a. Caution while trading in options
  - b. Information on “Beware of unsolicited stock tips”
  - c. Information on “Do not keep idle funds with broker”
- B. Awareness through influencers - A unique awareness initiative was executed with Aiiyo Shraddha (Influencer) to educate investors to avoid common mistakes while investing in stock markets. The awareness disseminated through social media channels of NSE and the influencer. Topics - Beware of unsolicited Stock tips and Do not share your password.
- C. Advertisements on television covering topics on Assured Returns (Hindi and English), Beware of unsolicited Stock tips and Do not share password.
- D. Feature Videos on financial websites in the features section and also disseminated through social media.
- E. Focused Investor Awareness campaigns through multiple media were done on the following:
  - a. Posts in 9 Regional Languages were put on social media. Video messages of senior employees were created and also disseminated.
  - b. Newspaper ads in multiple newspapers and magazines in Regional Languages and in Regional Newspapers.

## Grievance Redressal Mechanism for Trading Members

The Investor Services Cell facilitates resolution of disputes between investors and listed corporate entities and NSE members. The Exchange has 24 Investor Service Centres covering the length and breadth of the country to facilitate investors, provide assistance to investors for complaint resolution, and offer arbitration mechanism. The following grievance redressal mechanism is available at the Exchange –

- Investor Services Cell
- Arbitration
- Appeal Mechanism

## Grievances against Trading Member

A Grievance Redressal Committee is a formal mechanism set up by the Exchange to address complaints or grievances raised by Investors. The committee is responsible for investigating and resolving complaints in a fair and impartial manner. The committee's primary objective is to ensure that grievances are addressed promptly and effectively, and that the rights of all parties involved are protected. Exchange provides an online portal for Investors to lodge their grievance against the trading members of the Exchange. Under this, the Exchange attempts to resolve the complaint lodged by the investor within fifteen working days of receipt, however, in case the investor is not satisfied with the resolution, the complaint is referred to Grievance Redressal Committee (GRC).

The Grievance Redressal committee consist of independent professionals having necessary qualification/ experience. Subsequent to appointment of GRC member for a complaint, a meeting is conducted between the investor and trading member. Based on the oral and written submissions made by both the parties, GRC member provides its recommendation, whereby either

the investor claim is admitted or dismissed. The cost of conducting GRC meeting is borne by the Exchange. If the GRC has ordered in favour of the investor, the Exchange debits the amount from the TM deposits available and pays the admissible amount to the investor, in case the trading member decides not to file arbitration. If the trading member decides to file arbitration, an interim amount is released to the investor.

When either of the party is aggrieved by the GRC order, they may choose the next level or dispute resolution mechanism i.e. Arbitration. Arbitration is a quasi-judicial process of dispute resolution between investors and trading members / listed Company. The Arbitrators empanelled by securities market stock exchanges are pooled together to form a common panel of Arbitrators for a particular region. The arbitrator is appointed in the matter through an automatic process where neither the parties or Exchange are directly involved. A sole arbitrator is appointed for the matter having claim value upto ₹25 lakhs and a panel of 3 arbitrators is appointed for matters where claim value is more than ₹25 lakhs. The Arbitration hearing is held and the matter is concluded by passing an Award. The Arbitrator is required to pass an award within 4 months of appointment, with a provision of extension upto 2 months on case to case basis. The Arbitration fees applicable to Investor is borne by the Exchange for a claim upto ₹20 lakhs.

Any party not satisfied with the arbitration award, the Exchange provides for appeal mechanism, the aggrieved party can file an Appeal before the Exchange. If the award is in favour of the investor, the Exchange debits the amount from the available TM deposits and credit the same to the investor, in case the trading member decides not to file appeal. If the trading member decides to file an appeal, an interim amount is released to the investor. The matter

referred under Appellate Arbitration is adjudicated by a panel of 3 arbitrators, of which one is a retired judge. The proceeding of Appellate Arbitration is similar to Arbitration. The matter is heard by the panel and concluded by passing an award within 3 months from the appointment, with a provision of extension of 2 months on case-to-case basis. The Arbitration and Appellate arbitration awards in favour of investor are implemented by the Exchange.

The parties may challenge the Award/ Appellate Award in Court of Law under Section 34 of Arbitration and Conciliation Act, 1996.

## Grievances against Listed Company

The complaints received against listed Companies are taken up with respective Company and the response received from the Company is analysed for completeness. If the response is found to be satisfactory, the same is provided to the investor and the complaint is closed. If the response is not satisfactory or incomplete, additional information is sought from the Company.

In case the Company fails to provide complete response within 30 days, an intimation is sent to the Company to provide full response within next 30 days, failure to comply will lead to application of penalty. Reminders are sent on regular intervals, to ensure timely closure. In cases where the Company does not comply with the above timelines, a staggered penal action is taken against the Companies including monetary penalty and freezing of Demat accounts of promoters etc, as per SEBI Circular dated November 7, 2022.

Instances where any party feels that the complaint has not been resolved to his/her/their satisfaction through the complaint resolution process of the Exchange, the party may opt for arbitration. If not satisfied with the arbitration award, the Exchange provides for appeal mechanism, the

aggrieved party can file an appeal before the Exchange. The parties may challenge the Award/Appellate Award in Court of Law under Section 34 of Arbitration and Conciliation Act, 1996.

Total number of customer complaints received in FY 2022-23	Number of cases successfully resolved *
13,205	13,579

\* Includes cases received in previous year

## Community Engagement

We strongly believe that communities that have been empowered play a crucial role in driving economic transformation. Our primary objective is to enhance our business activities by actively engaging with the community to promote financial well-being and comprehensive development. Our community interventions are guided by a corporate social responsibility (CSR) policy implemented at the group level. This policy outlines our dedication to generating sustainable social value and identifies the key areas where our CSR initiatives focus. Your Company has consistently adhered to the requirements stipulated in Section 135 of the Companies Act, 2013, and the CSR Rules, 2014. The CSR Policy is available in the public domain: [https://www1.NSEIndia.com/global/content/about\\_us/NSE\\_CSR\\_Policy.pdf](https://www1.NSEIndia.com/global/content/about_us/NSE_CSR_Policy.pdf).

In 2018, the NSE Foundation was established as a Section 8 Company to effectively fulfill the CSR mandate applicable to the NSE Group Companies falling under the purview of Section 135. The foundation ensures dedicated management of CSR initiatives and has implemented a robust governance mechanism to ensure efficient utilization of funds, thereby making a positive impact in communities. Our community outreach efforts are aligned with the objectives outlined in the United Nations-Sustainable Development Goals (UN-SDGs), national policy

directives, and national developmental priorities.

The CSR programmes endeavor to address gaps for positive outcomes in the community through institutionalizing the grievance process through local bodies.

In the education and sanitation initiatives, functional formal local bodies in the schools like child cabinets, adolescent girl groups, trained School Management Committees (SMCs) understand their roles and responsibilities through the capacity building sessions of the programmes and undertake redressal of grievances at school and student levels. The institutions at the community level such as Gram Panchayat and the local administrative authorities at the Block level also engage in ensuring the change in behavior among the community members. Within Eldercare programmes for example, Elderly Self Help Groups which bring senior citizens together, have a 'Jan Sunvayi' platform wherein grievances and issues faced by senior citizens at Block level are taken up in a public forum with block level authorities for redressal. This not only boosts the confidence of the community elders but also makes the villages aware of concerns of the senior citizens leading to sensitivity amongst the other sections of society towards the challenges faced by the elderly.

Through the projects, innovations to resolve targeted issues in remote locations have been devised. For example, in case of water and sanitation programmes, operations and maintenance has been a challenge, thus, training of local masons to repair design and technical issues of water and sanitation hardware was undertaken to ensure sustainability and long-term solutions for redressal of local problems

The NSE Group CSR policy which defines the focus areas for CSR activities assists preliminarily to

identify and prioritize projects. In the initial years, NSE Foundation carried out interventions in areas close to its regional offices, soon extending them to statewide initiatives and subsequently to NITI Aayog's aspirational districts of Karauli in Rajasthan, Nandurbar in Maharashtra, Ramanathapuram in Tamil Nadu and Kiphire in Nagaland apart from Birbhum in West Bengal (designated aspirational district).

In addition, the Foundation took up programmes in education and WASH in urban centres wherever it had regional offices: Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad. The need-based interventions now cover 11 States and 1 Union Territory.

To ensure effective implementation of the programmes in the communities being served, NSE Foundation has deployed rigorous and robust monitoring and evaluation processes at each stage of the project life-cycle. Due to the large number of programmes, multiple Project Monitoring and Evaluation (PME) agencies with domain expertise in the field of CSR advisory, programme management and sustainability have been empanelled. NSE Foundation had engaged four PME agencies: KPMG, Ernst & Young, Sattva Consulting and Think-through Consultancy.

Each programme is assigned a PME agency that independently evaluates and makes recommendations on the project's objectives, baseline data, design and budget indicators, within a results-based monitoring and evaluation framework. The PMEs conduct monthly interactions with NGOs in addition to quarterly field visits to review the status of programme activities and expenditure, capturing even the feedback from the stakeholders. The programme is assessed on key matrices, and the PME suggests modifications in programme implementation through adoption of best practices, efficient deployment and utilisation

of resources, and use of suitable local technologies.

Since 2021, there has been a rapid evolution in the CSR landscape with the amendments in the CSR Rules and an expansion in the number of beneficiaries, projects and focus areas of NSE CSR Group in the past few years. As CSR is a Group function for NSE Group, the respective CSR Committees and Boards of the Group Companies and the NSE Foundation Board review the implementation of CSR activities and advise on the strategy to be followed for better on-ground impact. Apart from the discussions held during quarterly CSR meetings of the Group Companies and NSE Foundation Board, Joint meetings are also conducted if required to undertake strategic discussions.

External agencies of repute are also consulted for certain exercises to ensure expertise and transparency in the process of strategy development.

In FY 2022-23, post 7 years of NSE Foundation's activities, the strategy was revisited for NSE Group CSR and a 5-year road map considering the changes in the landscape post the COVID-19 pandemic was proposed. A reputed consultancy firm was selected from a number of agencies through due internal procurement process to undertake this activity. The rigorous strategy development process was undertaken which included research into national schemes, discussions with social sector experts, government agencies, international agencies, NSE Group Companies and social sector organisations to understand the national priorities and needs at the ground level.

Post all the activities, the strategy that was adopted was to identify large scale programmes at Pan India level with tangible impact.

### Overview of program implementation

We establish collaborations with non-governmental organizations (NGOs), multilateral agencies, academia, government entities, and

other relevant stakeholders as part of our community outreach initiatives. This cooperative approach integrates diverse perspectives and promotes innovation in the development and implementation of interventions. Some of our primary partners include:

- NITI Aayog
- Ministry of Social Justice and Empowerment (MoSJE)
- State governments (Maharashtra, Madhya Pradesh, Rajasthan, Kerala, and Tamil Nadu)
- Green Rameswaram Trust
- UNICEF
- IIT Madras
- Tata Trusts
- CSC Academy (under the Ministry of Communication and Information Technology)

To ensure that our efforts have a lasting and significant impact on the communities we serve, we typically design our programs to span a minimum of three years. These programs involve various activities such as needs assessment, baseline and end line studies, intervention design, capacity building, and periodic monitoring of outcomes. We collaborate with professional monitoring and evaluation agencies to conduct regular site visits and monitor the progress of our community programs. We also adopt a comprehensive approach that includes regular programmatic and financial reviews, as well as third-party impact assessments carried out by specialized organizations with the necessary expertise.

### Scale up programmes

The Ministry of Social Justice and Empowerment (MoSJE) is dedicated to ensuring a respectable standard of living for senior citizens. To enhance the well-being of the elderly in India, the Ministry has developed several extensive initiatives. Recognizing the effectiveness of the NSE

Foundation's elder care model, which demonstrates the positive outcomes achieved through collective effort and productive work, the Ministry decided to implement a similar model on a larger scale across 13 states. This was done in collaboration with the National Rural Livelihood Mission (NRLM) and the corresponding authorities at the state level. As part of this endeavor, 4597 "Action Groups Aimed At Social Reconstruction" (AGRASR) were established under the National Action Plan for Senior Citizens. NSE Foundation and its local partner served as the technical support unit for these groups.

### CSR focus group: Empowering our employees to serve communities

Supporting communities has been an integral part of your Company's culture since its early years of operation. Even prior to the formal incorporation of corporate social responsibility (CSR) activities mandated by the Companies Act, 2013, our CSR focus group actively encouraged employees to volunteer and contribute to community service. The CSR focus group leads various initiatives that are socially and environmentally significant. In the fiscal year 2022-23, various initiatives to engage employees were undertaken such as visits to CSR project sites, beach cleaning, blood donation camp, NGO mela and celebration of days of importance. These activities were conducted across the Head office, regional offices and offices of Group companies with their employees.

### Grievance Redressal Process

The CSR programmes endeavour to address gaps for positive outcomes in the community through institutionalizing the grievance process through local bodies.

In the education and sanitation initiatives, functional formal local bodies in the schools like child cabinets, adolescent girl groups, trained School Management Committees (SMCs) understand their roles and responsibilities through the capacity building sessions of

the programmes and undertake redressal of grievances at school and student levels. The institutions at the community level such as Gram Panchayat and the local administrative authorities at the Block level also engage in ensuring the change in behavior among the community members. Within Eldercare programmes for example, Elderly Self Help Groups which bring senior citizens together, have a 'Jan Sunvay' platform wherein grievances and issues faced by senior citizens at Block level are taken up in a public forum with block level authorities for redressal. This not only boosts the confidence of the community elders but also makes the villages aware of concerns of the senior citizens leading to sensitivity amongst the other sections of society towards the challenges faced by the elderly.

Through the projects, innovations to resolve targeted issues in remote locations have been devised. For example, in case of water and sanitation programmes, operations and maintenance has been a challenge, thus, training of local masons to repair design and technical issues of water and sanitation hardware was undertaken to ensure sustainability and long-term solutions for redressal of local problems

### Overview of CSR focus areas and key initiatives

We have presented a concise summary of our primary areas of corporate social responsibility (CSR) focus, along with comprehensive information regarding the design of interventions, significant initiatives undertaken, and impactful narratives. These details can be found in Annexure 4 of the Board's Report.

#### Primary Education

According to the most recent SDG Index report released by NITI Aayog, a fraction of 2.97% of children aged between 6 and 12 still do not have access to primary education. We strongly believe that by imparting high-

quality education during the crucial early years of children's lives, we can fulfill our commitment of inclusivity and address the societal challenges that stem from limited access to fundamental education. With a firm belief that providing quality education can act as a catalyst for enhancing the lives of India's vast population of 1.3 billion, we have devised a comprehensive approach to increase the enrollment of children in primary schools. This program encompasses various aspects, including reinforcing institutions, enhancing capacities, adopting improved teaching methodologies, and addressing the issue of low attendance.

#### Goals:

- Improve the ratio of teachers to students and offer targeted training and professional development opportunities for educators.
- Foster comprehensive growth of students by bridging the educational gaps through supplementary and in-school programs.

#### Elder Care

India accommodates a population of more than 103.9 million elderly individuals, comprising approximately 8.6% of the overall populace. Projections indicate that this figure will escalate to 12.4% of the total population by the year 2026. Given the unique difficulties confronted by this specific demographic, there is an immediate necessity to develop tailored programs that address their distinct requirements. With the objective of assisting elderly individuals experiencing socio-economic hardships, we have personalized our initiatives to enhance the support systems encompassing their social, financial, health and digital needs.

#### Goals:

- Enhancing the overall well-being of disadvantaged elderly individuals by enhancing their access to sustainable livelihood opportunities.

- Empowering senior citizens through the implementation of Elder Self-Help Groups (ESHGs) and other similar concepts.

- Implementing healthcare interventions aimed at improving the physical and mental health of the elderly.

- Establishing elder enrichment centers in urban areas to provide additional support and resources to the aging population.

#### Sanitation & clean drinking water

Based on the latest United Nations report, it is stated that approximately one-third of the global population lacks access to clean drinking water, while two-fifths of the population do not have a basic hand-washing facility. Additionally, over 673 million people still engage in open defecation. The COVID-19 pandemic has further emphasized the crucial role of clean water in maintaining hygiene. In response to the urgent need for sanitation and safe drinking water in communities, we have made significant contributions to implementing long-term measures for disease prevention and control, which in turn promote both health and socioeconomic development. Our efforts have specifically focused on upgrading sanitation facilities and improving access to safe drinking water in schools and communities, aligning with the objectives of the Swachh Bharat Abhiyan campaign.

#### Goals:

The implementation of upgrades to sanitation facilities in educational institutions and communities, the provision and presence of secure access to potable water sources within schools, the efficient management of both solid and liquid waste, the dissemination of informative messages on sanitation, health, and hygiene through behavior change communication (BCC), and other related measures.

### Environment Sustainability

The Earth is facing a critical situation due to the escalating global average temperature, a gradual increase in sea levels by an average of 0.06 inches annually since 1980, and a significant surge in global carbon dioxide emissions, which have risen by nearly 50% since 2000. Given these circumstances, it is of utmost importance for us to acknowledge and tackle the consequences of climate change, while actively collaborating to safeguard our ecosystem.

#### Goals:

- Your Company is committed to fostering environmental sustainability by implementing various initiatives aimed at promoting ecological equilibrium, safeguarding the diversity of plant and animal life, and conserving natural resources.
- In addition, we will actively endorse and contribute to numerous environmental protection and awareness programs, with a particular focus on water and soil conservation, specifically within the designated aspirational districts.

### Skill Development and Entrepreneurship

India, a nation accommodating approximately one-sixth of the global population, possesses the capacity to assume a leading role in driving global economic progress. While recognizing the potential offered by our substantial populace in spearheading economic advancement, it is imperative to prioritize the promotion of entrepreneurship and skill development initiatives to tap into the economic potential of this vast resource. Moreover, these programs aim to harmonize with long-term financial objectives and policy interventions. We have formulated strategic interventions that contribute to Sustainable Development Goal 8 and national initiatives specifically targeted at fostering entrepreneurship and enhancing skill development.

#### Goals:

- Assistance should be extended to individuals with limited literacy skills, those who have discontinued schooling, and those without formal education through skill development initiatives.
- Enhance the employment prospects of young people in rural areas by providing training in specific technical skills such as carpentry, plumbing, masonry, electrical work, driving, cooking, tailoring, advanced agriculture, food processing, and agro-processing.
- Prominent national schemes pertaining to skill development and entrepreneurship, such as the National Skill Development Mission and the National Policy for Skill Development and Entrepreneurship of 2015, are the key areas of focus for corporate social responsibility efforts.
- The achievement in the focus area resulted in the implementation of three programs, positively impacting the lives of over 2,650 individuals.

#### Health and Nutrition

In spite of considerable strategies and endeavors to enhance the accessibility of high-quality healthcare, a significant number (40%) of countries worldwide possess less than 10 medical practitioners per 10,000 inhabitants. Your Company has undertaken initiatives aimed at developing interventions that specifically target the improvement of health and nutrition-related services and support mechanisms. Given the wide range of health and nutrition services required across various age groups, localities, and disorders, our interventions are designed to cater to the needs of vulnerable communities and offer solutions in the following areas:

- Promotional services
- Protective services
- Preventive services
- Rehabilitative services

Our interventions are in line with the National Health Policy, the National

Health Mission, and SDG-3 (Good health and well-being).

#### Goals:

- The primary objective is to cater to the health and nutritional needs of individuals, particularly those belonging to socially or economically disadvantaged segments of the population, with the intention of enhancing their social, economic, and health conditions.
- Diligent endeavors are being undertaken to establish strong collaborations with the healthcare system at the primary, secondary, and tertiary levels in both rural and urban regions, aiming to enhance accessibility and enhance the quality of services by leveraging technology, equipment, and infrastructure.

#### Funding of incubators

With a populace exceeding 1.3 billion, India encounters intricate predicaments pertaining to the provision of potable water, preservation of unpolluted air, insufficient nourishment, elementary education, and availability of healthcare, among an array of urgent concerns. In the context of a developing nation such as India, the attainment of comprehensive advancement necessitates the preeminence of scientific and technological advancements and breakthroughs. These advancements transcend various sectors, as they furnish expeditious, easily attainable, adaptable, harmonized, and economically viable resolutions, thereby propelling progress and inclusivity.

#### Goals:

To provide financial support for incubators affiliated with renowned academic institutions, organizations, or entities listed under Schedule VII of the Companies Act, 2013, with the objective of generating comprehensive research and development, digital advancements, and other scientific solutions for challenges within the NSE Group CSR focus areas, particularly in

primary education, healthcare delivery, elder care, environmental concerns, WASH (water sanitation and hygiene), and skill development.

In addition to fostering the creation of innovative technology solutions and products to address social or developmental issues in the approved

CSR sectors, this initiative aims to achieve scalability that would otherwise be difficult to attain, thereby benefiting a larger number of individuals residing in remote areas, especially in aspirational districts. To promote innovation, the objectives also include supporting incubator-

led hackathons organized through institutions like IITs, which enable talented engineers and research-oriented students to develop and offer solutions for urgent problems in the selected CSR focus areas outlined in the NSE Group CSR policy.

## Disaster relief and rehabilitation

We, as a global community, underwent an unparalleled global health crisis. Adhering to our dedication to supporting communities in times of emergency, we implemented a wide range of targeted interventions. These initiatives have been clearly explained in a chronological manner,

corresponding to different stages of the pandemic.

### Social Impact Assessment

The NSE Group CSR policy which defines the focus areas for CSR activities assists preliminarily to identify and prioritize projects. In the initial years, NSE Foundation carried out interventions in areas close to

its regional offices, soon extending them to state wide initiatives and subsequently to NITI Aayog's aspirational districts of Karauli in Rajasthan, Nandurbar in Maharashtra, Ramanathapuram in Tamil Nadu and Kiphire in Nagaland apart from Birbhum in West Bengal (designated aspirational district).

## CSR Activities

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Rehli Shiksha Pahal Program (RSPP)	This initiative aims to improve the quality of education by enhancing the skills of teachers and engaging the community in supporting educational efforts. By ensuring a conducive learning environment, the initiative can lead to increased student retention, improved academic performance, and better overall educational outcomes. This initiative aligns with United Nations Sustainable Development Goals (SDGs) 4, 5 and 10.	The project trained the school teachers, school management committees and headmasters and sensitised community members to ensure sustained and conducive environment for learning.
CAVACH- COVID relief activities	By disseminating knowledge and information about COVID-19 and vaccination, the CAVACH initiative helps to combat the pandemic and mitigate its negative effects. It promotes public health and safety, encourages vaccine uptake, and empowers individuals and communities to make informed decisions to protect themselves and others. The CAVACH initiative contributes to several UN SDGs, including 3, 10 and 16.	The project had rigorous awareness drives through various techniques like door-to-door sessions, street plays, announcements in religious places, women groups, community meetings etc. to ensure knowledge dissemination and information on COVID and importance of vaccination.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Sustainable Community ODF Program at Ramanathapuram Block, Ramanathapuram District, Tamil Nadu.	The program empowers the community to take ownership of their sanitation and hygiene practices, leading to improved health outcomes and a cleaner environment. It reduces the prevalence of open defecation, which can contribute to the spread of diseases, and fosters a culture of cleanliness and sanitation. Community ODF Program aligns with UN SDGs 3 and 6.	Community women led groups were formed to encourage and monitor usage of toilets and other hygiene activities which made the community take ownership of ODF sustainability at their village level.
To provide sustainable livelihood by way of providing construction Skill training and employment / self-employment for Rural Youth from Nandurbar, Maharashtra.	This initiative empowers rural youth to secure stable sources of income and improve their economic well-being by providing skill training and employment opportunities. It enhances their employability and self-sufficiency, contributing to poverty reduction and sustainable development in the region. This initiative aligns with several UN SDGs 1, 8 & 10.	The youth were trained and placed for employment which was a direct community intervention for sustained income generation.
SCORE [Sustainable Conservation of Water Resources Through Enabling] Community-led Development	By training farmer groups and implementing interventions at the household level, the SCORE initiative promotes sustainable water resource management and agricultural practices. It helps conserve water, improve agricultural productivity, enhance food security, and empower local communities to take responsibility for sustainable development. This initiative aligns with several UN SDGs such as 6, 2 & 13.	The farmer groups trained, and household level interventions ensured that the community is benefitted from the interventions, and they are capacitated to continue the sustainable agricultural practices.
Serving and Enriching Education to Under-privileged Tribal Children in Talode Block of Nandurbar District	This project aims to enhance access to quality education and improve learning outcomes by training community youth as para-teachers and promoting education among underprivileged tribal children. It empowers the community to actively participate in the education of their children and fosters a supportive learning environment. This initiative aligns with several UN SDGs such as 4, 10 & 16.	The project trained community youth as para teachers which encouraged the community members to send their children to learning centres and take ownership of the education that their children receive.
Sahaj Path: Bridging Learning gaps of students in government primary schools of Dubrajpur block of Birbhum district, West Bengal	By training para-teachers and creating learning centers, this initiative aims to improve the quality of education and bridge the learning gaps among students. It empowers the community to actively participate in their children's education, enhances learning outcomes, and contributes to the overall development of the students. This initiative aligns with UN SDG 4.	The project trained community youth as para teachers which encouraged the community members to send their children to learning centres and take ownership of the education that their children receive. In many cases, learning centres are maintained by the community itself to continue to the activities.
Technical Support Unit to Mainstream Elder Collectives	By establishing elder collectives and providing technical support, this initiative enhances the well-being and quality of life for senior citizens. It enables them to address their challenges and concerns, promotes social inclusion, and strengthens community support systems for the elderly. This initiative aligns with UN SDGs 3 and 10.	The Elderly Self-Help Groups intervene to resolve issue of senior citizens are various levels; household, income generation activities and community levels. Thus, the change that is envisaged by the projects are institutionalised within the community.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
“Gram Samrudhi”- Community Led Climate Smart Initiatives, to Safeguard Local Livelihood and Environment at Dhadgaon and Akkalkuva, tribal blocks in Nandurbar district of Maharashtra	This initiative aims to protect the environment, enhance local livelihoods, and promote climate resilience by training farmer groups and implementing sustainable agricultural practices at the household level. It empowers the community to adopt climate-smart practices, improve agricultural productivity and preserve natural resources. This initiative aligns with UN SDGs 2, 13, 15.	The farmer groups trained, and household level interventions ensured that the community is benefitted from the interventions, and they are capacitated to continue the sustainable agricultural practices.
Foundational Learning Enhancement In Primary Grades [I-V] In Government Schools In Hindaun Block Of Karauli District Rajasthan	The training of teachers in innovative and child-centered pedagogy enhances the quality of education and improves learning outcomes for primary grade students. Capacitating school management committees and headmasters enables effective governance and strategic leadership, leading to overall improvements in the education system. This initiative aligns with UN SDG 4.	The in-school programme has trained the teachers in innovative and child centered pedagogy, capacitated school management committees to undertake activities as per their roles and responsibilities and headmasters to spearhead change at a strategic level.
Creating Enablers For ODF Sustainability	The creation of community-level groups, such as Nigrani Samiti, and the monitoring of toilet usage help discourage open defecation and promote the sustained usage of toilets. This leads to improved sanitation and hygiene practices, resulting in better health outcomes for the community. This initiative aligns with UN SDG 6.	Community level groups such as Nigrani Samiti have been created to monitor and usage of toilets and discourage open defecation through awareness.
Promotion Of Swachh And Swasth Hindaun Block Of Karauli District In Rajasthan	By reaching beneficiaries in institutions such as schools, anganwadis, and public health centers, this project promotes cleanliness and health in the community. Training and capacity building activities within these institutions embed ownership and management mechanisms, ensuring the sustainability of efforts to promote a clean and healthy environment. This initiative aligns with UN SDGs 3 and 6.	The project reached the beneficiaries at various institutions such as schools, anganwadis and public health centres (PHCs).
Supply, Installation, testing and Commissioning, Implementation and Delivery of the Turnkey Project	The collaboration with the Indian Army 92 Base Hospital and addressing a specific need of the hospital ensures the sustainability of the project. By providing necessary infrastructure or services, the project supports the hospital in delivering efficient and effective healthcare services to the community. The positive impacts of this project could align with various UN SDGs such as UN SDGs 3 and 9.	The project interventions is in collaboration with the Indian Army 92 Base hospital and addresses a specific need of the hospital which will ensure sustainability
Student Teacher Empowerment Program (Step) Plus	This project empowers educators and enhances their teaching skills, leading to improved quality of education by training school teachers, school management committees and headmasters. Sensitizing community members ensures their active involvement in creating a sustained and conducive learning environment for students. This initiative aligns with UN SDG 4.	The project trained the school teachers, school management committees and headmasters and sensitised community members to ensure sustained and conducive environment for learning.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Equip Thiruppullani Project (Education Quality Improvement Project)	The training of teachers in innovative and child-centered pedagogy improves the quality of education and promotes student-centered learning approaches. Capacitating school management committees and headmasters enables effective governance and strategic leadership, contributing to overall improvements in the education system. This initiative aligns with UN SDG 4.	The in-school programme has trained the teachers in innovative and child centered pedagogy, capacitated school management committees to undertake activities as per their roles and responsibilities and headmasters to spearhead change at a strategic level.
Wash Scale Up Initiative Swaccho - Nirapad Parivesh (Clean And Safe Environment)	This project, led through community mechanisms and co-funded by the project and community members, encourages ownership and active participation in promoting a clean and safe environment. It enhances sanitation and hygiene practices, leading to improved health outcomes and a better quality of life. This initiative aligns with UN SDG 6.	The project was led through community mechanisms and the activities were in many cases co-funded through the project and community members to encourage ownership.
Robotic Solutions for cleaning of Septic Tanks	By providing robots to safai karamcharis for cleaning septic tanks, this program aims to eliminate the need for manual scavenging, ensuring the safety and dignity of workers. The use of robotics improves efficiency and reduces health hazards associated with manual cleaning. This initiative aligns with UN SDG 8.	The programme handed over the robots to safai karamcharis who would actually be using the same in their day to day work to avoid manual scavenging.
Creating And Enabling A Learning Environment For Academic Excellence	This project ensures the creation of a sustained and conducive learning environment by training school teachers, School Management Committees, and Headmasters, and sensitizing community members. It promotes academic excellence and fosters a supportive atmosphere for students to thrive. This initiative aligns with UN SDG 4.	The project trained the school teachers, School Management Committees and Headmasters and sensitised community members to ensure sustained and conducive environment for learning.
Atikrānta-An initiative towards transformation	This project aims to create a sustained and conducive environment for learning. It empowers educators, fosters community engagement, and contributes to the overall transformation of the education system. This initiative aligns with UN SDG 4.	The project trained the school teachers, School Management Committees and Headmasters and sensitised community members to ensure sustained and conducive environment for learning.
NSE Foundation Urban Learning Improvement Program	This project enhances the quality of education in urban areas, promotes community involvement, and supports the holistic development of students. This initiative aligns with UN SDG 4.	The project trained the school teachers, School Management Committees, Headmasters, parents and sensitised community members to ensure sustained and conducive environment for learning.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Rochak- Strengthening Education and WaSH In Municipal Schools Of Ahmedabad	This project provides training to teachers and para teachers on child-centered pedagogy methods and innovative teaching-learning tools, ensuring sustainability of learning activities. It also focuses on creating safe hygiene practices through training of teachers, sensitization of parents, and community training on hand-washing, waste-water disposal, and toilet usage. This initiative aligns with UN SDGs 4 and 6.	The project has trained teachers and para teachers on child centered pedagogy methods and innovative teaching-learning tools for sustainability of the learning activities. The project has created Child Cabinets and trained the teachers on safe hygiene practices. Parents have been also sensitized to ensure continuity of such safe WaSH practices at homes. Initially the community in which students resided were also trained on proper methods of hand washing, disposal of waste-water and usage of toilets.
Creating a Learning Culture	The training of teachers and para teachers on child-centered pedagogy methods and innovative teaching-learning tools enhances the sustainability of learning activities. Sharing digital content with parents and monitoring their involvement creates a learning culture that extends beyond the classroom and involves the community. This initiative aligns with UN SDG 4.	The project has trained teachers and para teachers on child centered pedagogy methods and innovative teaching-learning tools for sustainability of the learning activities. At community levels as well digital content is shared with parents to teach children at homes and these activities are monitored by the project team.
“Ankuram” Foundational Learning Enhancement in Primary Grades [I-V] in Government Schools in Todabhim block of Karauli district, Rajasthan	The training of school teachers, School Management Committees, Headmasters, parents, and sensitizing community members ensures a sustained and conducive environment for learning. This initiative aims to enhance foundational learning in primary grades, empower educators, foster community engagement, and improve learning outcomes. This initiative aligns with UN SDG 4.	The project trained the school teachers, School Management Committees, Headmasters, parents and sensitised community members to ensure sustained and conducive environment for learning.
ShikshaDeep PrakaIpa-II: Creating sustainable community-led SLCs (Supplementary Learning Centres)	By training community youth as para teachers and encouraging community members to send their children to learning centers, this initiative promotes education and empowers local communities to take ownership of their children’s education. This initiative aligns with UN SDG 4.	The project trained community youth as para teachers which encouraged the community members to send their children to learning centres and take ownership of the education that their children receive.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
An initiative to support healthy ageing in the rural communities	The Elderly Self Help Groups intervene to address various issues faced by senior citizens, including household matters, income generation activities, and community-level support. This initiative aims to improve the well-being and quality of life for the elderly population. This initiative aligns with UN SDG 3.	The Elderly Self Help Groups intervene to resolve issue of senior citizens are various levels; household, income generation activities and community levels. Thus, the change that is envisaged by the projects are institutionalised within the community. The Primary health centres also have dedicated one day to treating senior citizens.
NSE Foundation Block Educational Transformation Karauli B E T Karauli Project, Gyanodaya	By training school teachers, School Management Committees, Headmasters, parents, and sensitizing community members, this project aims to create a conducive learning environment and enhance the quality of education in schools. This initiative aligns with UN SDG 4.	The project trained the school teachers, School Management Committees, Headmasters, parents and sensitised community members to ensure sustained and conducive environment for learning.
Empower Women and Girls - for improving Maternal, Child and Adolescent Health and Nutrition	This initiative focuses on training anganwadi, Primary Health centre (PHC), and sub-centre staff, as well as providing direct training to adolescent girls and expectant mothers. By improving maternal, child, and adolescent health and nutrition, it empowers women and girls, ensuring healthier futures for them and their families. This initiative aligns with UN SDGs 3 and 5.	The anganwadi, PHC and sub-centre staff has been trained along with direct training to adolescent girls and expectant mothers on maternal and child health. This direct intervention at community level ensures knowledge transfer to the beneficiaries. The trained staff looks into delivery effectiveness of supplements and nutrition to the relevant beneficiaries.
SWIFT Growth (Sustainable Water Institutions for Tangible Growth)	The training provided to community groups responsible for the operations and maintenance of water tanks ensures the sustainability of water supply and management. This initiative promotes access to clean water and strengthens community institutions for water resource management.	The community groups formed to ensure the operations and maintenance of the water tanks have been trained for sustained activities.
“Water, Agriculture and Food Security (WAFS) Project” in Bogalur and Mudukulathur Blocks of Ramanathapuram District	By training the community on income generation activities such as pisciculture and rejuvenating ponds, this project promotes sustainable agriculture practices and community ownership. It can lead to improved food security and income generation in the long term. This initiative aligns with UN SDGs 2, 8, 12, 13 and 15.	The community has been trained on income generation activities such as pisciculture in ponds which were rejuvenated through the project. This has led to community ownership to continue with sustained agriculture practices which can yield improved benefits in the long term.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Strengthening Primary Health care services in Kiphire District in Nagaland by managing Mobile Medical Unit (MMU) & Government PHC	Through collaboration with the State government, this project raises awareness among the community about communicable and non-communicable diseases and addresses myths surrounding ailments and medicines. It aims to improve access to primary healthcare services and promote better health outcomes. This initiative aligns with UN SDG 3.	The project was run through collaboration with the State government and thus reached the community with awareness on communicable and non-communicable diseases. It also addressed myths regarding ailments and medicines.
Technical support to 2 Aspirational Districts (Karauli, and Ramanathapuram) for effective implementation of Jal Jeevan Mission and Swachh Bharat Mission	This program conducts community trainings to promote efficient water usage, create water plans at the village level, and encourage proper waste disposal. By providing technical support and training, it aims to enhance the implementation of water and sanitation initiatives, contributing to improved access to clean water and sanitation facilities. This initiative aligns with UN SDGs 6 and 11.	The programme has conducted community trainings as per the Jal Jeevan Mission directives on efficient water usage, creating water plans at village levels and waste disposal at household levels. Collection of data on hardware available and hardware to be created has been shared with the relevant government departments and trainings was completed on JJM for effective implementation of the scheme.
Sustainable spring-shed and agriculture development in Kiphire district in Nagaland	Recognizing the water-intensive nature of agriculture in Nagaland, this program targets water conservation and reducing water runoff. By providing trainings and engaging with community members, it promotes sustainable spring-shed management and agriculture practices, ensuring the efficient use of water resources. This initiative aligns with UN SDGs 6, 12, 13 and 15.	Since Nagaland is a rice eating State, agriculture is water intensive. Thus, the programme directly targeted the need for conservation of water and limit water runoff. The trainings with community members also assisted in getting their support for the initiatives under the project.
Rice fortification for better nutrition outcomes in the State of Nagaland	By providing technical support to relevant State departments and designing protocols for the distribution of fortified rice, this project aims to improve nutrition outcomes in Nagaland. Community awareness programs sensitize individuals about the importance of fortified rice in their nutrition intake. This initiative aligns with UN SDGs 2 and 3.	Technical support to the relevant State departments was provided and protocols have been designed for distribution of fortified rice in the State. Community awareness programmes have been undertaken to sensitize the members on importance of fortified rice in nutrition intake.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Suswasthya: strengthening health and nutrition services for women, children and adolescents in Khoyrasol Block of Birbhum	Through training anganwadi, Primary Health Center (PHC), and sub-center staff, as well as direct training to adolescent girls and expectant mothers, this project aims to enhance health and nutrition services. The focus on community-level intervention ensures knowledge transfer and effective delivery of supplements and nutrition to beneficiaries. This initiative aligns with UN SDGs 3 and 5.	The anganwadi, PHC and sub-centre staff has been trained along with direct training to adolescent girls and expectant mothers on maternal and child health. This direct intervention at community level ensures knowledge transfer to the beneficiaries. The trained staff looks into delivery effectiveness of supplements and nutrition to the relevant beneficiaries.
‘Integrated Safe Drinking Water Project in partnership with Jal Jeevan Mission [JJM] in Nandurbar’	Conducting community trainings on efficient water usage, creating water plans at the village level, and waste disposal at the household level promotes responsible water management and sanitation practices. Sharing data on available hardware and training on JJM implementation enhances the effectiveness of these initiatives. This initiative aligns with UN SDGs 6 and 11.	The programme has conducted community trainings as per the Jal Jeevan Mission directives on efficient water usage, creating water plans at village levels and waste disposal at household levels. Collection of data on hardware available and hardware to be created has been shared with the relevant government departments and trainings has been completed on JJM for effective implementation of the scheme.
Integrated Solid and Liquid Waste Management	By training community members on efficient waste disposal at the household level and instituting monitoring groups, this program promotes proper solid and liquid waste management. It helps in reducing pollution and improving environmental sustainability. This initiative aligns with UN SDGs 6, 11 and 12.	The programme has trained community members on efficient waste disposal at household levels and groups have been instituted to monitor the same.
Phase-1: Integrated Energy Monitoring and Management System for a Large Commercial Complex towards 100% Renewable Energy Utilization	The project aims to achieve 100% renewable energy utilization in a large commercial complex. This would contribute to reducing greenhouse gas emissions and promoting sustainable energy practices. This initiative aligns with UN SDGs 7 and 13.	The project is on-going with its research activities
Hyper-local air pollution monitoring using mobile monitoring for Gurugram and Mumbai	This ongoing project focuses on monitoring air pollution levels in specific areas using mobile monitoring techniques. By generating accurate data on air quality, it can help raise awareness about pollution issues and contribute to developing strategies for air pollution mitigation. This initiative aligns with UN SDGs 3, 11 and 13.	The project is on-going with its deployment activities

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Innovative Medical Devices for Affordable Healthcare	This ongoing project aims to develop innovative medical devices for affordable healthcare. By making medical devices more accessible and cost-effective, it can improve healthcare services and contribute to achieving universal health coverage. This initiative aligns with UN SDG 3.	The project is on-going with its deployment activities
Shraddha – Towards Active and Healthy Ageing	By forming self-help groups of senior citizens, this project promotes active and healthy ageing by addressing social, economic, and health aspects. It fosters community support and empowerment for older adults. This initiative aligns with UN SDGs 3 and 11.	Self help groups of senior citizens were formed to institutionalise the impact on social, economic and health verticals through the project.
Aalambana – Towards Active and Healthy Ageing	Similar to the previous project, this initiative focuses on forming self-help groups of senior citizens to promote active and healthy ageing. It expands the impact to include digital knowledge, further empowering older adults. This initiative aligns with UN SDGs 3, 4 and 11.	Self help groups of senior citizens were formed to institutionalise the impact on social, economic, health and digital knowledge verticals through the project.
Aalambana – Towards Active and Healthy Ageing	Similar to the previous project, this initiative focuses on forming self-help groups of senior citizens to promote active and healthy ageing. It expands the impact to include digital knowledge, further empowering older adults. This initiative aligns with UN SDGs 3, 4 and 11.	Self help groups of senior citizens were formed to institutionalise the impact on social, economic, health and digital knowledge verticals through the project.
Making Mandrail Block of Karauli district as Open Defecation Free Sustainable Block through School, AWC and Community centered Sanitation & Safe Drinking Water interventions	By providing training to wash cabinets, adolescent girl groups, teachers, and non-teaching staff, this project promotes hygiene practices and waste management. It contributes to creating a sustainable environment, improving sanitation, and ensuring safe drinking water. This initiative aligns with UN SDGs 6 and 11.	Training was provided to wash cabinets, adolescent girl groups, teachers and non-teaching staff of the school to assist in maintaining hygiene practices and waste management.
Implementation of Karadi Path Magic English SLL programme for improving English proficiency of students from Zilla Panchayat Primary Schools in selected blocks in Nandurbar District, Maharashtra.	By creating and training a local cadre of volunteers and providing English language training to teachers, this project aims to improve students' English proficiency. It enhances educational opportunities and language skills for better future prospects. This initiative aligns with UN SDG 4.	Local cadre of volunteers was created and trained to ensure that hand holding support from schools is available. The teachers were trained in English language to sustain the activities with students.
Project Shiksha Setu	This project ensures continuity in educational interventions by equipping schools with learning labs and training teachers to conduct sessions with students. It promotes effective teaching and learning methods for better educational outcomes. This initiative aligns with UN SDG 4.	Schools were equipped with learning labs and teachers were trained to take sessions with students ensuring continuation of the interventions.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Healthcare access to Geriatric population through Technology	This project enables tele-medicine activities and geriatric clinics by providing additional infrastructure and training to staff at primary health centres. It improves access to healthcare services for the geriatric population, promoting their well-being. This initiative aligns with UN SDGs 3 and 4.	The primary health centres were equipped with additional infrastructure and training was given to the staff to ensure that tele-medicine activities and geriatric clinics continue.
Drinking water kiosks with fluoride and desalinity remediation	This initiative ensures access to safe and treated drinking water by training community members on the operation and maintenance of the water kiosks and involving the gram panchayat. It addresses the issue of fluoride and salinity in water, promoting better health outcomes. This initiative aligns with UN SDG 6.	Community members were given training on operations and maintenance of the units and the gram panchayat was involved to ensure allocation of land and other resources for full functioning of the units.
Solid and Liquid Waste Management strategy and implementation for Nandurbar district in coordination with the district administration	By training community members on waste segregation and management at the household and institutional levels, this project promotes proper waste management practices. It contributes to environmental sustainability and improves the cleanliness of the district. This initiative aligns with UN SDGs 6, 11 and 12.	Community members both at individual household level and institutional levels were trained to undertake activities on waste segregation and management.
Project 'Vidya'	It enhances teaching capabilities and promotes quality education for students and meets UN SDG 4.	School teachers were trained to continue with the learning programme.
JALDHARA: Integrated Water, Sanitation and Hygiene (WaSH) interventions in Nandurbar, Maharashtra	This project promotes proper hygiene practices and sanitation by providing training on menstrual hygiene management to women and adolescent girls and forming WaSH cabinets at the school level. It contributes to improved health and well-being, particularly for women and girls. This initiative aligns with UN SDGs 3, 5 and 6.	Training was given specially to women and adolescent girls on menstrual hygiene management and WaSH cabinets were formed at the school level.
Pilot Initiative on Comprehensive Elderly Care Programme in Nandurbar district by operationalising the National Programme for Health Care of Elderly (NPHCE) scheme of the Government.	By sensitizing and training primary health centers to initiate weekly geriatric clinics, this project addresses the health concerns of senior citizens. It improves access to healthcare services and promotes their well-being. This initiative aligns with UN SDGs 3 and 10.	The primary health centres were sensitized and trained to commence weekly geriatric clinics dedicated to senior citizens to address their health concerns.
Project Samarthyaa: Elderly Care programme(55 Years+) in Nandurbar district, Maharashtra	This project enhances the well-being and financial independence of senior citizens. It promotes social inclusion and economic empowerment by forming elderly self-help groups that advocate for rights, entitlements, and income generation activities. This initiative aligns with UN SDGs 1, 3 and 10.	Elderly self-help groups were formed which advocated for their rights and entitlements. They were also trained for income generation activities for financial independence.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Bhu-Jal Dhaara (A Livelihood Improvement Project Through Integrated Watershed Development)	By training community members on sustainable agricultural and irrigation practices, this project promotes improved livelihoods and ensures continued benefits for the community. It contributes to sustainable land and water management. This initiative aligns with UN SDGs 1, 2, 6 and 15.	Community members were trained on undertaking sustainable agricultural and irrigation practices for continued benefit to them.
Improving language and numeracy skills of 8,139 children in primary and upper primary schools of Mandrail block in Karauli district of Rajasthan State	This project enhances educational opportunities and quality education for children by training school management committees and teachers to advocate for the needs of children and improve the learning environment. This initiative aligns with UN SDG 4.	School management committees and teachers were trained to advocate the needs of the children to improve learning environment for them.
Sustainable Environment & Livelihoods through Soil & Water Conservation and Improving Soil Health	By training farmers in sustainable agriculture practices and the use of low-cost tools, this project promotes sustainable livelihoods and improves soil health. It contributes to environmental sustainability and poverty reduction. This initiative aligns with UN SDGs 1, 2, 12 and 15.	Farmers are trained in sustainable agriculture and ensure usage of low cost tools to assist in long-term benefits for them.
Akshara: Learning Centers for Primary Children in Rameswaram	This project ensures the continuity of educational interventions and improves learning outcomes for primary children by training school teachers to continue with the learning program. This aligns with UN SDG 4.	School teachers were trained to continue with the learning programme.
Samrakshana	By forming elderly self-help groups, advocating for rights and entitlements, providing training for income generation activities, and addressing corrigible health conditions, this project promotes the well-being, empowerment, and financial independence of senior citizens. This aligns with UN SDGs 1, 3 and 10.	Elderly self-help groups were formed which advocated for their rights and entitlements. They were also trained for income generation activities for financial independence. Health interventions were also made for corrigible conditions such as cataract.
Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.	This project enhances educational opportunities and quality education for primary school children, particularly in language and numeracy skills by training school management committees and teachers to advocate for the needs of the children and improve the learning environment. This blends in with UN SDG 4.	School management committees and teachers were trained to advocate the needs of the children to improve learning environment for them
ShikshaDeep Prkalpa	By creating a cadre of community youth to undertake teaching activities through innovative methods with community support, this project improves access to quality education and promotes community participation in the education system. This aligns with UN SDGs 4 and 17.	A cadre of community youth was created to undertake teaching activities through innovative methods with the communities' support.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Promotion of Tiruppullani as Swachh and Swasth Block.	The project formed WaSH cabinets in schools and provided training to teachers and community members on safe hygiene practices, promoting cleanliness and health in the community. This initiative contributes to UN SDGs 3 and 6.	WaSH cabinets in schools were formed and trained along with training to teachers and community members on safe hygiene practices.
Girl child educate programme	By creating a cadre of community youth to undertake teaching activities and enrolling girl children into the formal education system, the project promotes education, gender equality, and sustainable development. This initiative contributes to UN SDGs 4 and 5.	A cadre of community youth was created to undertake teaching activities through innovative methods with the communities' support. Girl children ultimately were enrolled into formal education system to ensure sustainability
Rebuilding Schools affected by Nisarga Cyclone	The project demonstrated the repair of schools using resilient structures, contributing to the reconstruction efforts after the cyclone. This initiative aligns with UN SDGs 11 and 13.	Repairs post disaster with resilient structures were demonstrated through the project
Assam Flood Response 2020 Restoration of WaSH in Schools	The project focused on restoring WaSH facilities in schools, including the demonstration of disaster-resilient structures and providing training to masons and local government authorities. This initiative contributes to UN SDGs 3 and 6.	Disaster resilient structures were demonstrated through the project and training for the same were given to mason and local government authorities.
Project Alokito Shoishab (Enlightened Childhood)	The project built the capacities of stakeholders such as student groups, teachers, and SMCs (School Management Committees) to ensure sustained activities and promote quality education and child development. This initiative aligns with UN SDGs 4 and 16.	The project built the capacities of its stakeholders such as the student groups, teachers and SMCs to ensure sustained activities.
Scoping study for Liquid and solid waste management for rejuvenation of Bhadrawati River stretch along Karauli Town	The study aimed to assess and propose solutions for effective waste management, sharing findings with local authorities for necessary action. This initiative contributes to UN SDGs 11 and 12.	This project was limited to study of SLWM systems and the findings of the same were shared with the local authorities for necessary action.
Promoting WaSH Compliant Ashramshala, Maharashtra	The project conducted capacity building for students, teachers, and school management committees to ensure proper understanding of roles and responsibilities in undertaking WaSH advocacy for schools. This initiative aligns with UN SDGs 3 and 6.	Capacity building of students and teachers was conducted along with school management committees to ensure understanding of roles and responsibilities in undertaking WaSH advocacy for school.
Swachh Vidyalaya, Swachh Aadat	The project conducted capacity building for students, teachers, and school management committees to promote cleanliness practices and advocate for WaSH in schools. This initiative contributes to UN SDGs 3 and 6.	Capacity building of students and teachers was conducted along with school management committees to ensure understanding of roles and responsibilities in undertaking WaSH advocacy for school.

Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Creating Disaster Resilient Child Friendly Model Schools in Odisha	The project provided training to masons and government engineers on constructing resilient school structures in disaster-prone areas, ensuring safer learning environments. This initiative aligns with UN SDGs 4 and 11.	Trainings were given to masons and government engineers on resilient school structures in disaster prone areas.
NSE Foundation Covid Response- Through Supply Of Medical Equipment To JJ Group Of Hospitals	The provision of life-saving equipment to the hospital has a positive impact on the healthcare system, enabling better treatment and care for patients. This initiative contributes to UN SDG 3.	Life saving equipment was provided to the hospital under this project which will continue to be used for years to treat patients.
Project EQUIP (Education Quality Improvement Project)	Training local volunteers as para-teachers and establishing learning centers with the help of community members leads to improved education quality. This initiative contributes to UN SDG 4.	Local volunteers were trained as para teachers and learning centres with the help of community members were created for sustained activities.
Sustainable Community ODF Program in Mandapam Block, Ramanathapuram District, Tamil Nadu.	The formation of WASHMAN committees and raising awareness about safe hygiene practices at the household level positively impacts the community's health and sanitation. This initiative aligns with UN SDGs 3 and 6.	WASHMAN committees which are community groups were formed to ensure awareness on safe hygiene practices at household level.
Project Prajwala- Wash Compliant KGBVs (MP)	Providing training on safe hygiene practices to government officials, wardens, teachers, and staff members of KGBVs (Kasturba Gandhi Balika Vidyalayas) has a positive impact on the health and well-being of students and staff. This initiative contributes to UN SDGs 3 and 4.	The project was with the MP education department and thus trainings were provided to government officials, wardens, student groups, teachers, kitchen staff, cleaning staff and principals on safe hygiene practices
Hospital on Train project	Training local NGOs and healthcare workers to enable early detection and treatment of ailments has a positive impact on the accessibility and quality of healthcare services in remote areas. This initiative aligns with UN SDG 3.	Training was provided to the local NGOs and health care workers to enable early detection of treatable ailments.
Building Water Security for Green Rameswaram	Training community groups in the operation, maintenance, and monitoring of RO (Reverse Osmosis) units ensures sustainable water security and responsible water usage. This initiative contributes to UN SDG 6.	The Pasumai – Community groups created under the project were trained in operations and maintenance of RO units and ensure monitoring of the water usage.
“Jal Samarthya”- Technical assistance for implementing Village Water Safety and Security (VWSS) in selected villages from Mandrail and Sapotra blocks of Karauli district, Rajasthan and its mainstreaming in Jal Jeevan Mission.	Enabling communities to develop water budgets and plans for their villages and advocate for works through the Jal Jeevan Mission positively impacts water safety, security, and access. This initiative aligns with UN SDG 6.	This programme enabled the communities in developing water budgets and plans for their villages and advocate for the works to be undertaken through Jal Jeevan Mission.

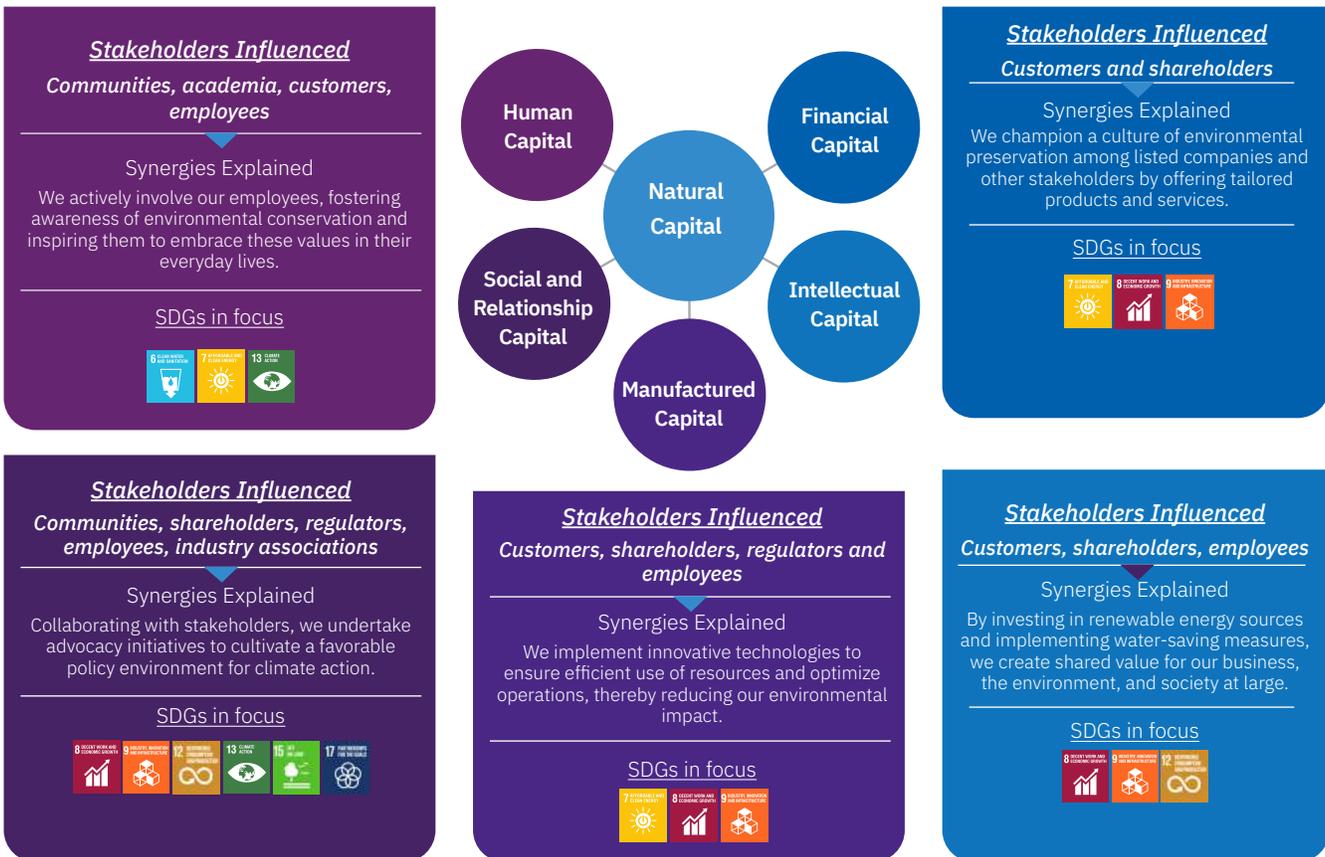
Activity	Goal	Steps taken by NSE to ensure that the project was successfully adopted by the community
Project Disha	Creating elderly self-help groups engaged in income-generating activities has a positive impact on the socio-economic well-being of senior citizens. This initiative contributes to UN SDGs 1 and 3.	Elderly self-help groups were created under the project with skilled senior citizens to undertake income generating activities.
Skill Mitra and Udyog Mitra for livelihood in two blocks of Ramanathapuram	Counselling and training youth in employability skills and entrepreneurship contribute to their economic empowerment and sustainable livelihoods. This initiative aligns with UN SDGs 1 and 8.	The youth counselled and trained through the project undertook employment either through establishments or through self-employment.
National Initiative for Skill Training on Dementia and Mental Health for Caregivers of Older Persons	Training caregivers in skills related to dementia and mental health care has a positive impact on the quality of care provided to older persons. This initiative contributes to UN SDG 3.	This project trained care givers thus imparting them with the skill on care giving which can be utilised by them in any institution.
Project for ODF Sustainability in Nandurbar (Navapur)	Forming Nigrani Samitis (community WaSH monitoring groups) ensures the continuation of activities related to open defecation-free (ODF) sustainability. This initiative aligns with UN SDG 6.	Nigrani Samitis – Community WaSH monitoring groups were formed which will ensure that the activities continue.
National Helpline for Senior Citizens with Ministry of Social Justice & Empowerment, Government of Telangana, National Institute of Social Defence (NISD) and other State government	The adoption and scaling up of the national helpline for senior citizens by the Ministry of Social Justice and Empowerment have a positive impact on providing support and assistance to elderly individuals nationwide. This initiative aligns with UN SDGs 3 and 10.	The project was adopted by Ministry of Social Justice and Empowerment and scaled up at the national level.
Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based Sanitation & Safe Drinking Water interventions.	Training child cabinets, school management committees, and community groups to sustain Open Defecation Free (ODF) status in Sapotra Block positively impacts the sanitation and hygiene practices of the community. This initiative contributes to UN SDG 6.	Child cabinets, school management committees and community groups were trained to carry on the activities to sustain ODF status.
Public Health Recovery and Restoration (including Drinking Water and Sanitation) in Disaster (Flood) Affected Districts of Maharashtra (Technical collaboration with UNICEF)	Collaborating with district authorities to ensure the adoption of activities related to public health, drinking water, and sanitation in flood-affected districts has a positive impact on the recovery and well-being of the affected communities. This initiative aligns with UN SDGs 3 and 6.	The project worked in collaboration with district authorities to ensure adoption of the activities by the local authorities and communities.
Everyone Forever- Water Services and Systems Strengthening: Rajnagar and Khoyrasol blocks of Birbhum district in West Bengal	Engaging community volunteer groups called 'Jalbandhus' in water services and systems strengthening activities fosters sustainable community ownership and management of water resources. This initiative contributes to UN SDG 6.	The project worked through community volunteer groups called 'Jalbandhus', thus creating a sustainable community ownership in project activities.

# Natural capital

“Weaving environmental consciousness into our strategic initiatives, operations and beyond.”

Strategic Intent	Material topics	Performance highlight FY 2022-23	SDGs in focus	Outlook
Integrate an eco-conscious approach into all aspects of business operations	<ul style="list-style-type: none"> <li>Green power generation</li> <li>Energy conservation</li> <li>Water management</li> <li>Waste management</li> </ul>	<ul style="list-style-type: none"> <li>Energy generated from wind source in FY 2022-23 - 10,686,942 kWh</li> <li>Solar energy consumed during FY 2022-23- 19,583 kWh</li> <li>Water Recycled –21,628 Kiloliters (KL)</li> <li>Manure generated from waste –220 Kg</li> </ul>	  	In our continuous endeavor to decarbonize operations and encourage sustainable practices among our partners and customers

## Interrelationship between capitals



**Capital Trade-offs:** Your Company’s manufacturing and human capital rely closely on using natural resources. This symbiotic relationship allows us to generate value in our financial and intellectual capital. While our primary focus is maximizing value within these interconnected dimensions, we are committed to minimizing our environmental footprint.

## Introduction

NSE has always embraced a prudent approach to environmental stewardship. Reflecting this ethos, we have implemented a range of initiatives to curb energy and water usage, minimise waste generation, and reduce carbon emissions across our operations. As a stock exchange, we recognise our invaluable opportunity to inspire environmental consciousness among other companies. We aim to lead by example, leveraging our actions and policies to ignite a wider embrace of sustainability within the market. During the reporting year, we have not received any fines or non-monetary sanctions for non-compliance with environmental laws and regulations. Our environmental policy, accessible

via the link ([https://www1.NSEIndia.com/global/content/about\\_us/NSE\\_Env\\_Policy.pdf](https://www1.NSEIndia.com/global/content/about_us/NSE_Env_Policy.pdf)), clearly articulates our commitment, actions, and strategic intentions concerning environmental protection.

To ensure the realisation of our environmental action plan, we remain steadfast in developing innovative tools, techniques, and methodologies that mitigate adverse environmental impacts. We have also established robust internal mechanisms to monitor our environmental performance diligently. This entails closely scrutinising resource conservation trends to identify areas of high consumption and opportunities to minimise our ecological footprint. We

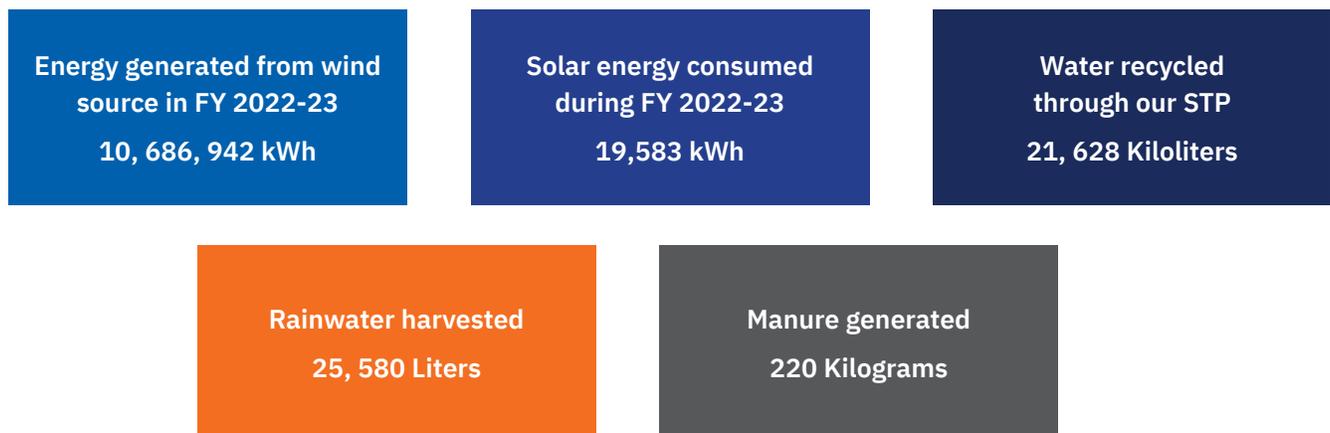
inform our strategic infrastructure upgrades and investment plans by conducting such analyses. Recognising that addressing climate change necessitates collective action and the engagement of multiple stakeholders, we actively foster awareness of various environmentally relevant themes across all our stakeholders.

Aligned with our corporate philosophy of being an engaged global citizen, we are dedicated to bolstering our contributions to global climate action endeavours. Within the realm of natural capital, our material concerns have been classified into two categories: climate change mitigation and climate change adaptation.



## Overview of our climate mitigation measures

We at NSE, have taken several initiatives in the areas of energy conservation, green / renewable energy which demonstrates our commitment towards minimising our environmental impact. Board’s Report may be referred for further details on climate mitigation measures.





# Business Responsibility and Sustainability Report FY 2022-23

# Statement by Managing Director and Chief Executive Officer

*Dear stakeholders,*

I am honoured to present the maiden Business Responsibility and Sustainability Report (BRSR) for National Stock Exchange of India Limited (NSEIL). ESG lies at the heart of our business strategy, as we firmly believe that sustainable practices drive long-term value creation for all stakeholders. This report marks a significant milestone in our journey towards building a sustainable future and demonstrates our commitment to transparently communicate our efforts in the realm of environmental, social, and governance (ESG) practices.

One of our key focus areas has been green power initiatives. We understand the pressing need to transition to cleaner energy sources and reduce our carbon footprint. Through strategic investments in renewable energy, such as solar power, we have successfully minimised our reliance on conventional energy sources. We have implemented comprehensive energy management systems across our facilities to optimise energy consumption. Our efforts in energy conservation not only lead to cost savings but also underline our commitment to environmental stewardship.

Water management is another critical area where we have taken proactive steps. Recognizing the importance of responsible water usage, we have implemented water conservation practices and invested in water recycling and rainwater harvesting systems. These measures have helped us minimise water consumption and preserve this invaluable resource.

Corporate Social Responsibility (CSR) is ingrained in our organizational DNA. We strongly believe in giving back to society and making a meaningful difference in the lives of communities we serve. Through our CSR initiatives, we have focused on education, healthcare, environmental conservation, and socio-economic empowerment. Our aim is to create a positive impact by addressing societal challenges and contributing to the overall well-being of communities.

In addition to our CSR endeavors, we have placed significant emphasis on investor and customer awareness programs. We believe that informed investors and customers are essential for a sustainable financial ecosystem. Through these programs, we educate and empower stakeholders to make responsible investment decisions, understand market dynamics, and adopt sustainable business practices. Our commitment to investor and customer awareness extends to protecting their interests and fostering trust and transparency in our operations.

We understand that the well-being of our customers and employees is paramount. We have implemented robust measures to ensure customer satisfaction, such as efficient grievance redressal mechanisms, enhanced cybersecurity, and seamless access to market information. For our employees, we strive to provide a safe, inclusive, and enriching work environment that promotes their physical and mental well-being.

By working together, we can ensure that NSE remains at the forefront of sustainable development and continues to make a positive impact on the financial ecosystem, society, and the environment. Thank you for your unwavering support, and I look forward to our continued progress on this transformative journey.

Warm Regards,

**Ashishkumar Chauhan**

Managing Director and Chief Executive Officer

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I – Details of listed Entity

Sl. No.	Particulars	Response to be filled by
1	Corporate Identity Number (CIN) of the Listed Entity	U67120MH1992PLC069769
2	Name of the Listed Entity	National Stock Exchange of India Ltd.
3	Year of Incorporation	27-11-1992
4	Registered office address	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051
5	Corporate address	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra - 400051
6	E-mail	secretarialdept@nse.co.in
7	Telephone	022-26598100
8	Website	<a href="https://www.nseindia.com/">https://www.nseindia.com/</a>
9	Financial year for which reporting is being done	FY 2022-23
10	Name of the Stock Exchange(s) where shares are listed	Not Applicable
11	Paid-up Capital	₹49.50 Crs.
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Rohit Gupte Company Secretary 022- 26598100 E-mail: secretarialdept@nse.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

### II – Product/Service

#### 14. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% Of total Turnover contributed
1	Trading Services	Trading services offered by the National Stock Exchange (NSE) encompass a range of activities designed to facilitate efficient and transparent trading of securities in the financial markets. As one of the leading stock exchanges in the country, NSE provides a platform where various market participants, such as brokers, investors, and institutional traders, can buy and sell securities, including stocks, bonds, derivatives, and exchange-traded funds (ETFs). NSE ensures that trading takes place in a fair and orderly manner, with strict adherence to regulatory guidelines and market regulations. Through its advanced electronic trading system, NSE enables seamless and real-time execution of trades, allowing investors to take advantage of market opportunities swiftly. Furthermore, NSE offers a diverse range of trading products and instruments, catering to different investment strategies and risk appetites. With its robust infrastructure, extensive market surveillance mechanisms, and commitment to investor protection, NSE plays a pivotal role in fostering liquidity, price discovery, and overall market development in the Indian financial ecosystem.	80.15%

Sl. No.	Description of Main Activity	Description of Business Activity	% Of total Turnover contributed
2	Colocation Charges	NSE provides collocation services by offering proximity to its trading members who avail such services for faster trade execution.	4.83%
3	Exchange Listing	Exchange listing refers to the process by which a company's shares are listed and traded on a recognised stock exchange, such as the National Stock Exchange (NSE). It is a significant milestone for businesses looking to raise capital, enhance their visibility, and provide liquidity to their shareholders. To get listed on NSE, a company needs to meet specific eligibility criteria, including financial and corporate governance requirements. Once listed, the company's shares can be freely traded by investors, allowing them to buy and sell securities on the exchange. Exchange listing offers numerous benefits, such as increased access to capital markets, improved credibility, and greater opportunities for expansion and growth. Additionally, it provides a platform for companies to demonstrate their performance, attract investment, and foster investor confidence. Overall, exchange listing on the National Stock Exchange plays a vital role in facilitating the growth and development of businesses, while simultaneously contributing to the overall functioning and vibrancy of the capital market ecosystem.	1.42%

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)**

Sl. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	Trading Services – Transaction Charges	6611	80.15%
2	Colocation Charges	6611	4.83%
3	Exchange Listing – Listing income	6611	1.42%

**III – Operations**
**16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	Not Applicable	29	29
International	Not Applicable	0	0

**17. Markets served by the entity:**
**a. Number of locations**

Locations	Number
National (No. of States)	22
International (No. of Countries)	0

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

**Ans.** This question is not applicable to NSE as the entity being in the service industry does not manufacture anything which needs to be exported to other nations.

### c. A brief on types of customers

**Ans.** The National Stock Exchange of India (NSE) caters to various types of customers who participate in the Indian stock market. Here's a brief overview of the different customer categories:

1. **Trading Members:** Trading members, also known as brokers or stockbrokers, are entities or individuals who are registered with NSE as members and are authorised to trade on behalf of their clients. They act as intermediaries between the exchange and investors, facilitating the buying and selling of securities on NSE platform. Trading members can be brokerage firms, banks, or financial institutions.
2. **Investors:** Investors refer to individuals or institutions that participate in the stock market by buying and selling securities. They aim to generate returns on their investments over the long term. Investors can be classified into different categories based on their investment objectives and strategies, such as:
  - a. **Retail Investors:** These are individual investors who trade in the stock market with their personal funds. They typically invest smaller amounts and may rely on advisory services provided by trading members or research from financial institutions.
  - b. **Institutional Investors:** Institutional investors include entities like mutual funds, insurance companies, pension funds, and banks. They invest larger amounts of money on behalf of their clients or stakeholders. Institutional investors often have dedicated research teams and investment strategies to manage their portfolios.
3. **Customers:** The term "customers" in the context of NSE generally refers to individuals or entities that engage with trading members and participate in trading activities on the exchange. Customers can be both retail and institutional investors. They may place buy or sell orders for securities, execute trades, and hold securities in their demat (electronic) accounts.
4. **Listed Companies:** Listed companies act as client to NSE for primary listing of their shares, which allows them to raise capital by selling their stocks to investors. NSE provides a platform for companies to list their shares, ensuring transparency and regulatory compliance. NSE plays a crucial role in providing market data and analytics to listed companies. This information helps companies monitor the trading activity and price movements of their shares, enabling them to make informed decisions regarding investor relations, financial reporting and strategic planning.

## IV – Employees:

### 18. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	<b>EMPLOYEES</b>					
1.	Permanent (D)	1,115	732	65%	383	35%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	<b>Total employees (D + E)</b>	<b>1,115</b>	<b>732</b>	<b>65%</b>	<b>383</b>	<b>35%</b>
	<b>WORKERS*</b>					
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	<b>Total workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

\*NSE does not have workers

**b. Differently abled employees and workers\*:**

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	<b>DIFFERENTLY ABLED EMPLOYEES</b>					
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	<b>Total differently abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
	<b>DIFFERENTLY ABLED WORKERS</b>					
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	<b>Total differently abled workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

\*NSE does not have workers

**19. Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	24	5	20.83%

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	15.9%	25%	19%	24.5%	18.9%	22.6%	22.9%	13.1%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

**V – Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sr. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	NSE Clearing Ltd	Subsidiary	100	Yes
2.	NSE Foundation	Subsidiary	100	Yes
3.	NSE IFSC Ltd	Subsidiary	100	Yes
4.	NSE IFSC Clearing Corporation Limited	Subsidiary	100	Yes
5.	NSE Investments Ltd	Subsidiary	100	Yes
6.	India International Bullion Holding IFSC Ltd	Associate	20	No
7.	National Securities Depository Limited	Associate	24	No
8.	NSE Data & Analytics Limited	Subsidiary	100	Yes
9.	NSE Indices Limited	Subsidiary	100	Yes
10.	NSEIT Limited	Subsidiary	100	No
11.	Cogencis Information Services Limited	Subsidiary	100	No
12.	Capital QuantSolutions Pvt Limited	Associate	17	No
13.	Aujas Cybersecurity Limited	Subsidiary	100	No
14.	NSEIT (US) Inc.*	Subsidiary	100	No

Sr. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
15.	CXIO Technologies Private Limited	Subsidiary	92.5	No
16.	NSE Academy Limited	Subsidiary	100	Yes
17.	TalentSprint Private Limited	Subsidiary	80.82	No
18.	TalentSprint INC	Subsidiary	100	No
19.	Receivables Exchange Of India Limited	Associate	30	No
20.	Power Exchange India Limited	Associate	29.21	No
21.	Protean eGov Technologies Limited	Associate	25.05	No
22.	Indian Gas Exchange Limited	Associate	26	No
23.	NSE Infotech Services Ltd	Subsidiary	100	Yes
24.	BFSI Sector Skill Council of India	Associate	49	No
25.	Market Simplified India Limited	Associate	30	No

## VI – CSR Details

22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

ii. Turnover (in ₹): 12,692.19 Cr

iii. Net worth (in ₹): 16,676.41 Cr

## VII – Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes, <a href="https://www.nseindia.com/invest/process-of-making-a-complaint">https://www.nseindia.com/invest/process-of-making-a-complaint</a>	13,205	757	These complaints are received from the investors against listed companies and trading members	14,092	1,131	These complaints are received from the investors against listed companies and trading members
Shareholders	No	0	0	Nil	0	0	Nil
Employees	Yes	0	0	Nil	0	0	Nil
Customers	No	0	0	Nil	0	0	Nil
Value Chain Partners	No	0	0	Nil	0	0	Nil
Other (please specify)	No	0	0	Nil	0	0	Nil

#### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Economic Performance	Opportunity	NSE, being a key player in the stock market, thrives on the performance and stability of the economy	Not Applicable	<p>When the overall economic indicators are positive, such as robust GDP growth, low inflation rates, and a favourable business environment, it tends to attract investors and stimulates market activity. As a result, NSE experiences increased trading volumes, higher liquidity, and improved investor sentiment. This translates into higher transaction fees, trading commissions, and other revenue streams for NSE.</p> <p>Additionally, a strong economic performance encourages new companies to go public and list their shares on the exchange, further bolstering NSE's financial standing. Therefore, closely monitoring and capitalizing on economic performance can yield substantial financial benefits for NSE</p>
2.	Indirect Economic Impact	Opportunity	NSE, being a prominent stock exchange, plays a vital role in facilitating economic growth and development	Not Applicable	<p>As NSE thrives and attracts investors, it generates substantial liquidity and investment opportunities. This, in turn, stimulates economic activity, creates jobs, and drives growth in sectors such as banking, finance, manufacturing, and services. The increased trading volume on NSE leads to greater transaction fees, commissions, and revenue for the exchange. Additionally, as the market expands and becomes more vibrant, it attracts new listings, further boosting NSE's revenue through initial public offerings (IPOs) and subsequent stock trading.</p> <p>Thus, the indirect economic impact of NSE presents a lucrative opportunity for the exchange in terms of financial gains and solidifies its position as a crucial driver of economic progress</p>

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Technology-driven infrastructural development	Opportunity	As advancements in technology continue to reshape and revolutionise various sectors, the infrastructure industry stands at the forefront of this transformation. The integration of technologies such as Internet of Things (IoT), artificial intelligence, big data analytics, and blockchain into infrastructural projects not only enhances operational efficiency but also drives substantial financial benefits	Not Applicable	<p>NSE, as a leading stock exchange, can leverage this opportunity by facilitating investment and capital flows into technology-driven infrastructure projects. The demand for funding and financing solutions in this sector will grow exponentially, creating a ripe environment for NSE to provide platforms for capital raising, trading, and investment opportunities.</p> <p>Additionally, NSE can establish specialised indices and financial instruments tailored to infrastructure technology, attracting both domestic and international investors seeking exposure to this emerging market. By capitalizing on the financial implications of technology-driven infrastructural development, NSE can position itself as a key player in the growth and success of this sector while generating significant revenue and expanding its market influence</p>
4.	Technology and Innovation	Opportunity	As the world becomes increasingly reliant on technology, businesses across various sectors are investing heavily in innovative solutions to enhance their operations and stay competitive. This wave of technological advancement opens up new avenues for NSE to capitalise on	Not Applicable	<p>As technology and innovation become crucial drivers of economic growth, NSE can position itself as a hub for tech-focused investments, attracting both domestic and international investors. This can potentially result in a surge in capital inflows and improved liquidity, further strengthening the financial position of NSE.</p>
5.	Managing Business Continuity & Technology Risks	Risk and Opportunity	Effective management of business continuity and technology risks can provide NSE with a competitive advantage and strengthen its reputation as a reliable and resilient exchange	By implementing robust risk management strategies, such as disaster recovery plans and cybersecurity measures, NSE can enhance its operational efficiency and minimise disruptions to trading activities. This can lead to increased investor confidence and attract more market participants, potentially translating into higher trading volumes, transaction fees, and listing revenues	<p>Any major system outages, cybersecurity breaches, or operational disruptions can result in halted trading, financial losses, reputational damage, and legal liabilities. Such incidents may lead to regulatory sanctions, lawsuits, and loss of investor trust, impacting the exchange's standing and its ability to attract market participants. Additionally, the costs associated with implementing and maintaining robust risk management measures can be substantial, including investments in advanced technology infrastructure, cybersecurity systems, and staff training. Therefore, NSE must carefully balance the opportunities and risks associated with managing business continuity and technology risks to safeguard its financial stability and long-term success</p>

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Market integrity and stability	Risk and Opportunity	NSE can attract more investors and traders, leading to increased trading volumes and transaction fees. When market participants have confidence in the fairness and transparency of the exchange, they are more likely to engage in trading activities, generating revenue for NSE	A stable market reduces the likelihood of sudden market crashes or disruptions, which can have severe financial consequences for both the exchange and its participants	Ensuring market integrity and stability offers potential financial benefits to NSE through increased investor participation and trading volumes, it also entails significant financial risks in terms of investment requirements and compliance costs. Striking a balance between these opportunities and risks is crucial for NSE to maintain its position as a trusted and financially sustainable exchange
7.	Employee wellbeing and development	Opportunity	Enhanced organizational performance, increased shareholder value, and a stronger financial position for NSE	Not Applicable	Investing in employee development programs, such as training and skill-building initiatives, can further enhance the expertise and capabilities of the workforce, leading to improved operational efficiency and innovation within the organization. Additionally, a focus on employee wellbeing can reduce absenteeism and healthcare costs, while also boosting employee morale and overall job satisfaction. Furthermore, an emphasis on employee wellbeing and development can also enhance NSE's reputation as an employer of choice, attracting top talent and positioning the exchange as a leader in the industry. Overall, by recognizing the financial implications of employee wellbeing and development, NSE has the opportunity to create a sustainable competitive advantage and drive long-term success
8.	Promoting diversity	Opportunity	Embracing diversity within NSE can lead to enhanced financial performance and sustainable growth. By actively encouraging diversity in terms of gender, race, ethnicity, and background, NSE can tap into a wider pool of talent and perspectives, fostering innovation and creativity	Not Applicable	Promoting diversity can enhance NSE's reputation and appeal to a broader range of investors, both domestic and international, who prioritise diversity and inclusivity in their investment strategies. This expanded investor base can lead to increased trading volumes, improved liquidity, and overall financial success for NSE. Therefore, investing in diversity is not only the right thing to do but also a strategic move that can yield substantial financial benefits for NSE

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Community engagement	Opportunity	By actively engaging with the local community, NSE can enhance its brand image, reputation, and credibility, thereby attracting more investors and listed companies.	Not Applicable	Community engagement initiatives can facilitate the identification of new investment opportunities, especially in emerging sectors or local businesses, which can potentially lead to an influx of new listings and market capitalization. Additionally, by supporting community development projects and educational programs, NSE can contribute to the overall growth and prosperity of the communities it operates in, creating a positive socioeconomic environment that further stimulates economic activity and, consequently, the financial performance of the exchange
10.	Collaborations & Advocacy	Opportunity	By actively engaging in collaborations and advocating for its interests, NSE can expand its reach, attract new market participants, and enhance its overall standing within the financial industry	Not Applicable	<p>Collaborations with other exchanges, financial institutions, and regulatory bodies can lead to the development of innovative products, increased liquidity, and improved market infrastructure. These partnerships can result in higher trading volumes and transaction fees, ultimately boosting NSE's revenue.</p> <p>Additionally, through effective advocacy, NSE can influence policy decisions and regulatory frameworks that impact the financial markets.</p> <p>By advocating for favorable policies, NSE can create an environment that encourages investment and market growth, attracting both domestic and international investors. This increased investor confidence can translate into higher trading activity, higher listings, and increased revenue streams for NSE</p>
11.	Climate Change	Opportunity	As the world grapples with the urgent need to transition to a low-carbon economy, companies involved in renewable energy, energy efficiency, and sustainable technologies are poised to benefit. NSE can play a pivotal role in facilitating the financing of such enterprises by introducing green bonds, carbon credits trading, and sustainable investment indices	Not Applicable	<p>These initiatives attract investors who seek to align their portfolios with environmentally conscious objectives, leading to increased trading volumes and liquidity on the exchange. Additionally, NSE can establish specialised climate-focused funds that cater to the growing demand for responsible investments. By embracing climate change as an opportunity, NSE can position itself as a leading platform for sustainable finance and contribute to the transition towards a greener economy</p>

Sr. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12.	Responsible resource management	Opportunity	By promoting and encouraging responsible practices in the management of resources, NSE can position itself as a leader in sustainable investing and attract socially conscious investors	Not Applicable	<p>NSE can develop specialised financial products such as green bonds or sustainability-focused indices, catering to the growing demand for sustainable investments.</p> <p>Such products can generate new revenue streams for NSE and attract investors seeking to align their portfolios with environmental, social, and governance (ESG) principles. By embracing responsible resource management, NSE can not only contribute to a more sustainable future but also capitalise on the financial opportunities arising from the global shift towards sustainable investing</p>
13.	Business ethics	Risk and Opportunity	Strong ethical practices can enhance NSE's reputation and attract investors who prioritise responsible and sustainable investing	<p>Ethical behavior, such as promoting transparency, fairness, and accountability, can build trust among market participants and create a conducive environment for long-term investments. This can lead to increased trading volumes, higher liquidity, and improved market efficiency, ultimately benefiting NSE financially</p>	<p>It is crucial for NSE to prioritise business ethics as both an opportunity and a risk. By fostering a culture of integrity, promoting ethical conduct, and enforcing robust regulatory frameworks, NSE can create an environment that attracts ethical investors and mitigates the risks associated with unethical practices. This approach not only safeguards the financial implications for NSE but also ensures the overall stability and sustainability of the capital market ecosystem</p>

## SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	-	Y	Y	N	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	-	Y	Y	N	Y	N	Y	Y
c. Web Link of the Policies, if available	N	-	Y	N	N	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>	N	Y	Y
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	-	Y	Y	N	N	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	-	N	N	N	N	N	-	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		-	-						
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are in the process of setting up goals and targets.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	After establishing goals and targets at NSE, it is crucial to regularly review performance to assess progress.								
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Please refer to page no 2.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Ashishkumar Chauhan Managing Director and CEO								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. (Does not pertain to Board Secretariat)	No								

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	-	Y	Y	N	Y	N	Y	Y	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	-	Y	Y	N	Y	N	Y	Y	Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	N	N	N	N	N	N	N	N	N

**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	N	-	N	-	Y
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	N	-	N	-	Y
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	N	-	N	-	Y
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	Y	-	Y	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

**PRINCIPLE 1:- Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**
**Essential Indicators**
**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%Age of persons in respective category covered by the awareness programmes
Board of Directors	7	Global stock NSE IFSC, Legal framework governing the securities market, RXIL working, Governance of MIIs, safeguarding clients’ funds placed with Stockbrokers, Options in Goods-NSE Gold Mini	100%

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%Age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	3	Awareness Program: 1. POSH 2. Cyber Information Security 3. Enterprise Risk Management	73.9%
Employees other than BoD and KMPs	17 Training Program & 3 Awareness program	<b>Training Programs :</b> 13th CII National HR Excellence Award Confluence 2022-23 -Batch 1 Better Conversations Every Day™ (BCE)-Better Conversations Every Day™ C Programming-January 2023 Certified Data Centre Professional-Day 1 Data Science Training for Financial Surveillance Design Thinking Empower II - Influencing without Authority Excel Training Future of L&D : Summit and Awards 2022 Gartner IT Symposium 2022 Hogan Certification Workshop IIM A : Application of Behavioural Science in Management Induction Inspection Workshop Linux and Shell Scripting Nullcon Summit 2022 NSE HEART <b>Awareness Program :</b> 1. POSH 2. Cyber Information Security 3. Enterprise Risk Management	92.8%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format note: the entity shall make disclosures based on materiality as specified in Regulation 30 f SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine	1	SEBI	1) 7 Crs. 2) 1 Crs.	1) Dark Fibre-Adjudication Notice 2) Conflict of Interest and Governance matter	Yes
Settlement	0	0	0	0	NA
Compounding fee	0	0	0	0	NA

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Imprisonment	0	0	0	0	NA
Punishment	0	0	0	0	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
<p><b>Dark Fibre – Adjudication Notice</b></p> <p>SCN relating to Dark Fibre is based on allegations of giving differential access and adopting discriminatory policies to trading members inter alia by allowing a service provider to lay dark fiber between NSE and BSE colocation, without verifying service provider's license for laying such networks. This New SCN has been issued to NSE and 6 past and present employees of NSE, as well as 2 trading members, the concerned service provider and their respective employees / officers</p> <p>SEBI vide its order dated June 28, 2022, has levied a penalty of ₹7 Crs. on NSE. NSE has preferred an appeal against the order and SAT has stayed the effect and operation of the SEBI order vide its order dated July 29, 2022</p> <p><b>Conflict of Interest and Governance matter</b></p> <p>SEBI has also issued adjudication notice, which deals with penalty, on the same subject matter for violation of Regulation 3(c) and 3(d) read with 4(1) of SEBI (PFUTP) Regulation 2003 read with 12 A(b) and (c) of SEBI Act, 1992 and Section 4(1) (a) of SCRA, 1956, Master Circular no. CIR/MRD/DSA/SE/43/2010 dated December 31, 2010, read with Section 3(2) (b) of SCRA, 1956.</p> <p>SEBI vide its order dated June 29, 2022, has levied a penalty of ₹1 Cr. on NSE. NSE has preferred an appeal against the order and SAT has stayed the effect and operation of the SEBI order vide its order dated August 11, 2022.</p>	SAT

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

**Ans.** Yes, NSE has an anti-corruption or anti-bribery policy. Our operations are assessed for risks related to corruption, communication and training is provided on anticorruption policies and procedures.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NIL	0	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NIL	0	NIL

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

**Ans.** There is no corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions on cases of corruption and conflict of interest for the financial year 2022-23.

**Leadership Indicators:**

**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
No Such Awareness programme held for value chain partners in current financial year	Not Applicable	Not Applicable

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.**

**Ans.** Yes, as per Clause 9 of Conflict-of-Interest policy, the Exchange has below monitoring compliances with respect to managing conflict of interests involving members of the Board.

Directors / Committee Members may report to SEBI. Further, any such instances would also be required to reported to the Public Interest Directors (PID) at regular intervals

**PRINCIPLE 2:- Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Segment	FY 22-23	FY 21-22	Details of Improvements in Environmental and social impacts
R&D	0	0	NIL
Capex	0	0	NIL

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

**Ans.** No, NSE does not have procedures in place for sustainable sourcing.

**2. b. If yes, what percentage of inputs were sourced sustainably?**

**Ans.** Nil

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

**Ans.** The question is Not Applicable for NSE as the entity is in the service industry and does not produce any goods for the customers.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

**Ans.** The question is Not Applicable for NSE as the entity is in the service industry and does not produce any goods for the customers.

**Leadership Indicators:**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the weblink
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable	Not Applicable	Not Applicable

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Not Applicable	Not Applicable	Not Applicable

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0	0	0	0
Other waste	0	0	0	0	0	0

### 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
0	0

**PRINCIPLE 3:-** Businesses should respect and promote the well-being of all employees, including those in their value chains.

#### Essential Indicators

##### 1. a) Details of measures for the well-being of employees:

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	732	732	100%	732	100%	0	0%	455	62.15%	0	0%
Female	383	383	100%	383	100%	184	48%	0	0%	0	0%
<b>Total</b>	<b>1,115</b>	<b>1,115</b>	<b>100%</b>	<b>1,115</b>	<b>100%</b>	<b>184</b>	<b>16.5%</b>	<b>455</b>	<b>40.8%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent employees</b>											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

##### b) Details of measures for the well-being of workers:

Category	% Of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent workers</b>											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N/A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N/A)
PF	100%	0	Y	100%	0	Y
Gratuity	100%	0	Y	100%	0	Y
ESI	0%	0	NA	0%	0	NA
Others – please specify (Superannuation)	2%	0	Y	2%	0	Y

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Ans. Yes, the premises/ offices of NSE are accessible to differently abled employees.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Ans. Yes, NSE has an equal opportunity policy in place. We take pride and celebrate our diverse and vibrant workforce. By fostering an inclusive work environment, we ensure that each employee is treated with dignity and respect. We strive to preserve and augment the diversity in our workforce. To this end, we are resolute to being an equal-opportunity employer and our “equal opportunity employer policy” is an attestation of our commitment in this regard. Strict adherence with all applicable fair employment practices and equal opportunity laws is ensured in our operational locations. We embed our values of equal opportunity and no-discrimination in the whole employee life cycle encompassing hiring, remuneration, training, appraisal, and separation linked processes. We extend required facilities to support differently abled individuals to showcase their talents and flourish. We strictly prohibit discrimination based on language, race, color, caste, religion, sex, origin, ethnicity, age, disability, marital status, sexual orientation, gender identity among others. We also have redressal mechanisms to effectively manage any breach of our equal opportunity policy.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	95.00%	0%	0%
Female	100%	85.00%	0%	0%
<b>Total</b>	<b>100%</b>	<b>90.00%</b>	<b>0%</b>	<b>0%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	No
Other than Permanent Workers	No

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	Yes. Grievance Redressal Procedure is a well-defined process/ platform for employees to formally raise grievances, discuss problems and/or issues/ concerns with Management practices/ workplace issues relating to supervisor/ manager/ subordinate/ peers and for providing a productive and conducive work environment where grievances are dealt with in a fair and equitable manner. A Grievance Committee, chaired by a Senior Member, is responsible for conducting fair and thorough investigation of grievances filed before them. The Committee is responsible to ensure that appropriate investigation of grievances is conducted. The committee is also responsible to ensure that sensitive nature of grievance is kept in mind during investigation.
Other than Permanent Employees	Not Applicable

#### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	0	0	0%	0	0	0%
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%

#### 8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
<b>Employees</b>										
Male	732	601	82%	127	17%	653	653	100%	89	13%
Female	383	319	83%	68	18%	346	346	100%	39	11%
<b>Total</b>	<b>1,115</b>	<b>920</b>	<b>82%</b>	<b>195</b>	<b>17%</b>	<b>999</b>	<b>999</b>	<b>100%</b>	<b>128</b>	<b>12%</b>
<b>Workers</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

### 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	732	601	82%	653	541	82%
Female	383	319	83%	346	279	80%
<b>Total</b>	<b>1,115</b>	<b>920</b>	<b>82%</b>	<b>999</b>	<b>820</b>	<b>82%</b>
<b>Workers</b>						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>

### 10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Ans. Yes, NSE has the following processes in place as part of its occupational health and safety management system:

i.	Fire detection and alarm system	xi.	Bollard system
ii.	Fire safety equipment	xii.	Perimeter intruder device
iii.	Emergency escape route maps	xiii.	Sniffer dog
iv.	Emergency signages	xiv.	Access control system
v.	Life safety measures	xv.	Cctv system, baggage & food scanner
vi.	Auto rescue devise in elevators	xvi.	Door frame metal detectors
vii.	Sump pits	xvii.	Handheld metal detectors
viii.	The building is provided with expansion joints	xviii.	Blast proof film at facade glass and film
ix.	Compound wall with concertina coils	xix.	Medical kits
x.	Provision of physical security guards		

- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Ans. NSE has the following processes in place to identify work-related hazards on a routine and non-routine basis:

i.	Fire safety audit is conducted twice in a year.	vi.	Air quality analysis /testing is carried out at workspace on periodic basis.
ii.	Floor Familiarisation training is conducted on regular basis.	vii.	Workspace cleaning is carried out on daily basis.
iii.	Fire drill is conducted twice in a year.	viii.	Disposal of E-waste is carried on regular basis.
iv.	Physical security staff are briefed daily about safety & security measures.	ix.	Health check-up of fire extinguishers is carried out on regular basis.
v.	Conducting periodic audit for the existing ISO Certificates.		

- c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)?

Ans. No

- d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)?

Ans. Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Ans. At NSE, we offer a wide range of programs designed to promote a proactive approach to health and safety. Our primary focus is on fire safety, and as part of our regular initiatives, we provide a one-hour class to all new employees, educating them on the fundamental principles of firefighting. Additionally, we conduct hands-on training sessions on fire safety, lasting between one to one-and-a-half hours, across all offices in India.

In FY 2022-23, a total of 1539 individuals, including employees and vendor staff, underwent hands-on training in fire safety. This comprehensive training covered various aspects such as an introduction to firefighting equipment, practical usage of portable fire extinguishers, and familiarization with other safety equipment. Furthermore, our organization has developed an e-Module on fire safety, which will be made available to all employees in the fiscal year 2022-23.

At NSE, we believe in providing holistic coverage for our employees and their families. To ensure their well-being, we offer a range of insurance policies, including Group Health Wellness policy covering all. The policy addresses the health concerns of our employees, we also emphasise their physical, mental, and emotional well-being.

To support their overall well-being, we have established a dedicated recreation room that features amenities such as a gymnasium and table tennis table, among others. This recreational space allows our employees to unwind and take breaks from their demanding work schedules. By providing these facilities, we aim to create an environment that promotes a healthy work-life balance and encourages the well-being of our valued employees and their families.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

**14. Assessments for the year**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Ans. No risks/concerns were arisen post assessments of health & safety practices and working conditions at NSE's offices.

**Leadership Indicators:**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Ans. Yes, Life Insurance is provided to all our employees.

We do not have workers; hence it is not applicable for the same.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Ans. Yes, the purchase order with Vendor clearly stipulates that the Vendor agrees to strictly abide and ensure compliance with applicable labour laws. The vendor is required to provide the company with compliance documents confirming its compliance in accordance with applicable labour laws periodically

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: (HR)

Total no. of affected employees / workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
0	0	0	0
0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Ans. No

5. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	None were assessed
Working Conditions	None were assessed

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Ans. The question is Not Applicable for NSE as no assessments on health & safety practices were conducted for value chain partners.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**
**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

Ans. At NSE, we believe that our stakeholders are an integral part of our business and play an important role in guiding the overall business strategy. It is imperative to understand their perceptions to identify the changing risk and opportunity landscape associated with our business. We have developed distinct modes of interactions to engage with various stakeholder groups and discuss key business issues pertaining to Environment, Social and Governance (ESG) dimensions of our business. Stakeholder Engagement and Materiality Assessment (SEMA) has helped us to develop an impactful stakeholder engagement plan, thus enabling us to strengthen the value we create for them. This in turn has also helped

us to keep our stakeholders abreast of significant changes in our business strategy and operations. Year on year, we try to increase our engagement with different stakeholder groups to reinforce trust among our stakeholders. The various stakeholders we have identified through SEMA are as follows:

**1. Government of India:**

The government plays a crucial role in regulating and overseeing the functioning of financial markets. Engaging with the government ensures alignment with regulatory requirements, policy changes, and fostering a conducive business environment. The government's support and cooperation are critical for NSE's operations, making it a high-priority stakeholder.

**2. Regulatory bodies (SEBI & RBI):**

Regulatory bodies like the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) directly oversee and regulate the securities and banking sectors. NSE must engage with these bodies closely to comply with regulations, seek approvals for new initiatives, and ensure adherence to market integrity and investor protection. Consequently, regulatory bodies are high-priority stakeholders.

**3. Customers (trading members, data vendors, listed companies, investors):**

Customers form the core of NSE's business. Engaging with trading members, data vendors, listed and to be listed companies, and investors is vital for understanding their needs, resolving issues, and providing efficient services. NSE should prioritise customer engagement to maintain their trust and satisfaction, as they drive liquidity and participation in the market.

**4. Partner service providers:**

Partner service providers, including technology, telecommunications, and consulting firms, are instrumental in supporting NSE's infrastructure, operations, and technology advancements. Collaborating with these partners ensures reliable systems, innovative solutions, and efficient services. While their priority may not be as high as customers or regulators, they remain crucial stakeholders.

**5. Investors and shareholders:**

Investors and shareholders contribute capital and have a vested interest in NSE's performance. Keeping them informed, addressing concerns, and ensuring transparency is important to maintain their confidence. Although their priority may be lower compared to regulators and customers, NSE should engage with investors and shareholders regularly.

**6. Market service providers:**

Market service providers, such as clearing banks, custodians, and data vendors, are key participants in the financial ecosystem. Engaging with them helps ensure smooth clearing and settlement processes, data availability, and efficient market infrastructure. While their priority may not be as high as customers or regulators, NSE should maintain a cooperative relationship with them.

**7. Other exchanges and depositories:**

Engaging with other exchanges and depositories fosters collaboration, knowledge sharing, and coordination in the global financial ecosystem.

While their priority may not be as high as regulators or customers, establishing relationships with other exchanges and depositories can lead to mutual benefits.

**8. Society:**

Engaging with society, including students, local communities, and NGO partners, is essential for promoting financial literacy, awareness, and inclusivity. While their priority may not be as high as customers or regulators, NSE should actively participate in initiatives that benefit society and support financial education.

### 9. Academic institutions, Researchers, and Think Tanks:

Engaging with academic institutions, researchers, and think tanks can contribute to market research, innovation, and policy development.

Although their priority may be lower compared to customers and regulators, collaborating with these stakeholders can enhance NSE's knowledge base and thought leadership.

### 10. Media and Journalists:

The media and journalists play a significant role in shaping public opinion and disseminating information about the financial markets.

Engaging with them is crucial for transparent communication and addressing market-related concerns. While their priority may not be as high as regulators or customers, NSE should maintain an open and constructive relationship with the media.

### 11. NSE senior management & executive team:

Internal stakeholders, such as senior management and the executive team, are responsible for NSE's strategic decision-making and overall performance. Engaging with them ensures alignment with the organization's objectives, effective communication, and shared vision.

### 12. Employees from different teams:

Employees from strategic, tactical, operational, legal, and other teams contribute to NSE's daily operations and growth. Engaging with them is essential for employee satisfaction, talent development, and organizational effectiveness.

### 13. Employees engaged in specific functions:

Employees involved in critical functions like clearing and settlement, technology, regulatory affairs, data vending, index service, and education services should be engaged to understand their needs, challenges, and suggestions for improvement. Engaging these employees helps enhance operational efficiency and service quality.

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Trading Members	No	<ul style="list-style-type: none"> <li>One on one meetings / calls</li> <li>Member Help desk - Phone Calls, Emails</li> <li>Periodic Compliance filings</li> <li>Webinars</li> </ul>	Quarterly	Compliance and regulatory matters
Employees	No	<ul style="list-style-type: none"> <li>Employee engagement survey</li> <li>Training and development programmes</li> </ul>	Quarterly	Welfare and career growth

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Regulators	No	<ul style="list-style-type: none"> <li>Periodic meetings with SEBI officials</li> <li>Emails, Phone calls</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Periodic engagement with SEBI officials on key regulatory matters &amp; important cases</li> <li>Discussions on policy matters</li> <li>Data requirements</li> <li>Active engagement with SEBI on the Unified Information infrastructure (UII) initiative</li> </ul>
Customers	No	<ul style="list-style-type: none"> <li>One-on-one / group meetings / webinars</li> <li>Member help-desk – phone calls and emails</li> <li>Periodic regulatory filings by members</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Compliance and regulatory matters</li> <li>Product and service-related matters</li> </ul>
Key partner service providers (TCS, Oracle, VMware, Airtel, NASDAQ, WIPRO, IBM, ServiceNow, CISCO)	No	<ul style="list-style-type: none"> <li>Technology conferences</li> <li>Webinars and training</li> <li>Meetings and regular calls</li> <li>E-mails</li> </ul>	Quarterly	Adherence to delivery standards and timelines
Investors	No	NSE Website/Circulars	Quarterly	Information about Members and Authorised Persons (AP)

### Leadership Indicators:

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Ans. NSE post identification of stakeholders within each identified group are prioritised based on their impact on our business activities and the corresponding influence of our Company on the stakeholders. We have tailored engagement channels for each stakeholder group to gather their feedback on our various business activities. These channels provide an opportunity for stakeholders to present their concerns and inputs to the management of NSE. These interactions further help us to mitigate identified risks and convert them into opportunities towards making our operations sustainable.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Ans. Yes stakeholder consultation is used to support the identification and management of environmental, and social

topics. Through stakeholder consultation, NSE has been able to develop comprehensive policies, guidelines, and reporting frameworks that integrate environmental and social considerations into their operations. This has not only enhanced NSE's reputation as a responsible and sustainable market but has also contributed to the overall betterment of the environment and society as a whole.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

Ans. NSE addresses the needs of the society through its CSR initiatives. All our projects involve active stakeholder consultation and engagement to understand and address their concerns.

**Principle 5- Businesses should respect and promote human rights**

**Essential Indicators**

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees'/ workers covered (B)	% (B / A)	Total (C)	No. of employees'/ workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1,115	824	73.9%	999	999	100%
Other permanent	0	0	0%	0	0	0%
<b>Total Employees</b>	<b>1,115</b>	<b>824</b>	<b>73.9%</b>	<b>999</b>	<b>999</b>	<b>100%</b>
<b>Workers</b>						
Permanent	0	0	0%	0	0	0%
Other permanent than	0	0	0%	0	0	0%
<b>Total Workers</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	1,115	0	0%	1,115	100%	999	0	0%	999	100%
Male	732	0	0%	732	100%	653	0	0%	653	100%
Female	383	0	0%	383	100%	346	0	0%	346	100%
<b>Other Permanent</b>	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Workers</b>										
<b>Permanent</b>	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Other Permanent</b>	0	0	0%	0	0%	0	0	0%	0	0%
Male	0	0	0%	0	0%	0	0	0%	0	0%

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (F / D)
Female	0	0	0%	0	0%	0	0	0%	0	0%

### 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	21,00,000	1	45,25,000
Key Managerial Personnel	19	₹1,65,00,000	5	₹82,69,722
Employees other than BoD and KMP	713	₹16,07,870	378	₹ 10,75,406
Workers	NA	NA	NA	NA

As on March 31, 2023, we had 7 male Directors and 1 female Director

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Ans: Yes, NSE has a Prevention of Sexual Harassment (POSH) Committee in place for addressing human rights impacts or issues caused or contributed to by the business.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Ans. NSE has internal mechanism in place as per Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 to redress grievances related to human rights issues.

### 6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Ans. Yes. Grievance Redressal Procedure is a well-defined process/ platform for employees to formally raise grievances, discuss problems and/or issues/ concerns with Management practices/ workplace issues relating to supervisor/ manager/ sub-ordinate/ peers and for providing a productive and conducive work environment where grievances are dealt with in a fair and equitable manner. A Grievance Committee, chaired by a Senior Member, is responsible for conducting fair and thorough investigation of grievances filed before them. The Committee is responsible to ensure that appropriate investigation of grievances is conducted. The committee is also responsible to ensure that sensitive nature of grievance is kept in mind during investigation.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Ans. Yes, human rights requirements form a part of our business agreements and contracts.

**9. Assessments for the year:**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Ans. NSE has not conducted any assessments in FY'23.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Ans. NSE has not modified / introduced business process to address human rights grievances/complaints

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

Ans. NSE has not conducted any human rights due diligence

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Ans. Yes, NSE has provisions in place like wheelchairs, lifts, security / housekeeping personal assisting differently abled visitors which makes the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016

**4. Details on assessment of value chain partners:**

	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0%
Discrimination at workplace	0%
Child Labour	0%
Forced Labour/Involuntary Labour	0%
Wages	0%
Others – please specify	0%

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Ans. NSE has not conducted any assessments till date.

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	2,09,037.82	1,66,162.67
Total fuel consumption (B)	567.53	1,126.15
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	2,09,605.35	1,67,288.82
Energy intensity per rupee of turnover (Total energy consumption/ turnover in Crs.)	16.42	14.96
Energy intensity (optional) – the relevant metric may be selected by the entity	0	0

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ans. No.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Ans. The question is Not Applicable as NSE does not fall under the PAT scheme of the Government

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	48,791.67	36,627.24
(ii) Groundwater	193.09	Not Available
(iii) Third party water	Not Available	Not Available
(iv) Seawater / desalinated water	Not Available	Not Available
(v) Others	Not Available	Not Available
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	48,984.76	36,627.24
Total volume of water consumption (in kilolitres)	48,984.76	36,627.24
Water intensity per crore of turnover (Water consumed / turnover)	3.83	3.27
Water intensity (optional) – the relevant metric may be selected by the entity	0	0

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Ans. No

#### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Ans. Yes, NSE has a Sewage Treatment Plant (STP) in place. This plant has been installed at the inception stage itself to enable NSE to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with Airconditioning System and for gardening purposes every day.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Mg/Nm <sup>3</sup>	NA	NA
SOx	Mg/Nm <sup>3</sup>	NA	NA
Particulate matter (PM)	Mg/Nm <sup>3</sup>	NA	NA
Persistent organic pollutants (POP)	Not applicable	NA	NA
Volatile organic compounds (VOC)	Not applicable	NA	NA
Hazardous air pollutants (HAP)	Not applicable	NA	NA
Others – please specify	Not applicable	NA	NA

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ans. No.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	39,198.71	77,781.21
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	41,213.00	36,458.40
Total Scope 1 and Scope 2 emissions per Crs. of turnover		6.30	10.22
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Not Available	Not Available	Not Available

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Ans. No.

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Ans. At NSE, we have taken several initiatives in the areas of energy conservation, green / renewable energy which demonstrates our commitment towards minimizing our environmental impact:

**a. Wind Power Plant**

NSE has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW of Wind Mills) Wind Power Plant at Satara in Maharashtra in the year 2014. In Wind Power Plant, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of the Wind Power Plant, it goes hand-in-hand with the Local Electricity Board. The Plant is connected to the Main Power Grid of the Local Electricity Board. As per the renewable energy policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Power Plant is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid

**b. Solar Plant**

The Solar Power Plant of the capacity of 20 KW has been installed in the building which harnesses the Solar Power to cater to a part of the lighting load at Exchange Plaza & BCP premises at Kotturpuram, Chennai. We had a target of 11,200 kWh of solar energy generation for the current reporting year and ensured to overachieve our target by generating 8,383 kWh of additional solar energy from the solar power plants installed by us.

**c. Lighting transformer and LED lights**

Lighting Transformers have been introduced in the lighting feeders to regulate incoming power supply which reduces excess power consumption and enhances the life of the luminaries. Additionally, LED Lights have been introduced across the entire office area.

**d. Thermal energy storage system**

Thermal Energy Storage System has been introduced in the Air-Conditioning (AC) System at Exchange Plaza. It was observed that most of the Services (i.e., AC Chillers, AHU's, Lifts, Lighting, PC, Plumbing System, etc.) in the building

were operated mainly during office / day hours. Amongst them, the AC Chillers and its associated equipment's used to consume more than 30% of the total peak demand load. In view of this, NSE had decided to reduce its demand load during peak hours by introducing the aforesaid plant in the existing AC System.

**e. Occupancy sensors**

Motion/Occupancy Sensors have been installed at the entire Office areas to operate the Lights automatically based on the occupancy in the respective areas.

**f. Building Management System**

The Building Management System (BMS) had been installed at the inception stage itself to enable NSE to operate the Building's Services more effectively. By using BMS System, the Air Handling Units (AHU) of the air-conditioning system are being operated (i.e., switching ON /OFF) as per the exact timetable scheduled for respective floors. It also helps NSE to regulate / control the temperature of the workspace area well within a prescribed tolerance. With this effective operation and regulation of AHU's, electricity is being conserved on a day-to-day basis.

**g. Automatic power factor control units**

The Automatic Power Factor Control Units have been installed to improve the power factor (i.e. by counter balancing the inductive load of the building with capacitive load) of the entire electrical load of the Building. Power Supplier gives incentives i.e. by passing certain discount in the electricity bill on account of this regularly.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0	0
E-waste (B)	19.07	8.05
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	88.59	15.06
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>107.67</b>	<b>23.12</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations (Food Waste-Manure)	0.22	0.20
<b>Total</b>	<b>0.22</b>	<b>0.20</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	Not applicable	Not applicable
(ii) Landfilling	Not applicable	Not applicable
(iii) Other disposal operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Ans. No.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Ans. We at NSE, are committed to embedding the three “R” approach for managing waste viz. ‘Reduce, Reuse and Recycle’. We have installed systems and processes to monitor our waste generation. Considering the nature of our business, we primarily generate a significant amount of domestic and E-waste. We have devised dedicated interventions to manage each waste stream through the following way:

a. Waste Disposal

As per the Company’s E-Waste Policy, the E-Waste in Exchange Plaza building as well as its Branch Office premises is recycled through authorised E-waste Vendor shortlisted by Central Pollution Control Board (CPCB)/Maharashtra Pollution Control Board (MPCB).

Sewage water generated at Exchange Plaza is recycled through Sewage Treatment Plant installed at its Exchange Plaza building and the processed water is used for secondary purposes i.e. for cleaning, for Cooling Towers associated with Heating, Ventilation and Air Conditioning (HVAC) System.

NSE uses ecofriendly gas used in air-conditioning and firefighting system (i.e R134a, R407a & R410a) and ecofriendly material used for housekeeping.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
	Not Applicable	Not Applicable	Not Applicable

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Ans. Given the operations of NSE, the above compliance is not applicable to the entity.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Not Applicable	Not Applicable	Not Applicable	Not Applicable

## Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	70.50	23.11
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>70.50</b>	<b>23.11</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	2,08,967.32	1,66,139.56
Total fuel consumption (E)	567.53	1,126.15
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>2,09,534.85</b>	<b>1,67,265.71</b>

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ans. No.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment*	21,628	19,595
<b>Total water discharged (in kilolitres)</b>	<b>21,628</b>	<b>19,595</b>

\*The treated waters use for gardening & cooling towers

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ans. No.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters): For each facility / plant located in areas of water stress, provide the following information:**

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water (Bottled water)	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>0</b>	<b>0</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>0</b>	<b>0</b>
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ans. No.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

\* Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ans. No

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Ans. The question is not applicable for NSE as there are no offices/branches working in ecologically sensitive areas of India.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Ans. NSE has undertaken the following initiatives to reduce the waste generated:

**a. Vermiculture plant:**

The compostable material like food waste collected from canteen, garden organics, paper and cardboard gets collected at one place. Post shredding, the aforesaid organic material gets loaded into Vermiculture plant for the decomposing process. Post 7 days of an on-going process, vermicompost / manure get generated and is being used for Gardening purposes.

**b. Waste disposal**

The Company believes in reduce, recycle, and reuse and manages its waste efficiently through various initiatives such as Vermiculture system, Sewage treatment plant. We reduce the E-waste and ensure that the E-waste generated is recycled efficiently.

**c. Sewage Treatment**

Sewage water generated at Exchange Plaza is recycled through Sewage Treatment Plant installed at its Exchange Plaza building and the processed water is used for secondary purposes i.e. for cleaning, for Cooling Towers associated with Heating, Ventilation and Air Conditioning (HVAC) System

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Ans. At NSE, business continuity and market stability are paramount as we recognise the criticality of maintaining uninterrupted operations and safeguarding the stability of the market in which we operate. We achieve this through a carefully crafted Business Continuity Management (BCM) policy, reinforced by a robust governance structure, detailed procedures, and thorough testing and training programs. Our commitment to business continuity is further enhanced by our infrastructural measures, which allow us to navigate and recover from disruptions effectively. Our organization has developed a comprehensive business continuity plan that effectively addresses various emergencies. Our BCM policy aligns with SEBI's 'Business Continuity Management and Disaster Recovery' guidelines. To ensure the effectiveness of our business continuity efforts, we have established a robust governance structure. This includes our Board and Management Level committees, which oversee the implementation of the BCM framework. We also have dedicated teams, such as the Crisis Management Team (CMT), responsible for managing the execution of the plan during emergencies.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Ans. At present no significant impact has been reported arising from value chain partners of NSE.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Ans. NSE has not conducted any assessments for value chain partners.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. **Number of affiliations with trade and industry chambers/ associations**

Ans. 14

- b. List the top 10 principle and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to - Reach of trade and industry chambers/ associations (State/National)

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	International Options Market Association (IOMA)	National
4	PHD Chamber of Commerce and Industry	National
5	Small & Medium Business Development Chamber of India	National
6	The Associated Chambers of Commerce and Industry of India	National
7	The Associated Chambers of Commerce of India (ASSOCHAM)	National
8	The Foundation for Millennium Sustainable Development Goals	National
9	World Federation of Exchanges (WFE)	National
10	Futures Industry Association (FIA)	National
11	International Organisation of Securities Commissions (IOSCO)	National
12	World Gold Council (WGC)	National
13	Indian Bullion and Jewellers Association (IBJA)	National
14	All India Gem and Jewellery Domestic Council (GJC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
0	0	0

## Leadership Indicators

### 1. Details of public policy positions advocated by the entity

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

We support the development of sustainable and equitable national policies through active interactions with several governing bodies of the nation's financial, securities and exchange sector. We spearhead and participate in policy linked deliberations through panels, round table conferences and seminars with the market participants, industrial representatives, financial ministry officials and regulators. We also participate in global dialogues on sustainability, economic development and equitable growth through our membership at the Sustainable Stock Exchanges Initiative, the World Federation of Exchanges, and IOSCO.

In the FY 2022-2023 NSE has conducted a total of 4965 Investors awareness programs vide webinars and on-ground seminars covering approximately 2.65 lakh+ participants with the following spread:

- 242 were conducted with SEBI
  - 1601 conducted with General Public
  - 1525 conducted with Education Institute
  - 995 conducted with Corporate
  - 602 conducted with Commodity (FPOs & MSMEs)
- i. NSE's outreach program (IAPs) are geographically spread across 33 states and Union Territories and programs were conducted in 18 languages.
  - ii. NSE has done 460 IAPs with a new investor segment, CBSE schoolteachers.
  - iii. Booklet on Investor awareness were distributed / emailed to participants.
  - iv. Pre IAP and post IAP surveys are done to understand expectations and for feedback.

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**  
**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Alokito Shoishab (Enlightened Childhood)- This programme was designed to work towards enhancing student learning outcomes of 118 government schools in Rajnagar Block. The aim of the project was to bring students (6-10 years) to their age-appropriate competency levels primarily in English, Bengali and Mathematics. Education centres were set up in the schools with trained para-teachers (Shikshan Mitras) who were recruited from the local community.	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
“Prajwala” (education) Rajasthan- This programme aimed to improve education in both literacy and numeracy in 200 Kasturba Gandhi Balika Vidyalayas (KGBVs) which are residential schools for girls from socially disadvantaged backgrounds.	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
“Prajwala” (education) Madhya Pradesh- This programme was implemented in 207 Kasturba Gandhi Balika Vidyalayas (KGBVs) of Madhya Pradesh, to NA improve the quality of education for girl students in 52 districts of Madhya Pradesh.	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
Swaccho Nirapad Parivesh (Clean and Safe Environment), Rajnagar Block, Birbhum, West Bengal- This WASH programme implemented to retrofit WASH infrastructure in 98 schools, 80 Anganwadi centres (AWCs) and 3 primary health centres (PHCs). The retrofitting work also laid special emphasis on creating menstrual health-friendly infrastructure at schools. Along with retrofitting, capacity-building and awareness-generation activities were also undertaken among the representatives of gram panchayats, students, teachers, members of the school development committees, workers at the AWCs and the communities.	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
<p>Everyone Forever - Water Services and Systems Strengthening, Rajnagar and Khoyrasole Blocks, Birbhum, West Bengal- Water points were installed under this programme in schools, Anganwadis and villages to facilitate the access of safe drinking water. Seven mini piped water systems were also installed under the programme as a model in seven villages spread across the two blocks, facilitating water supply to the households of the beneficiaries. Further, platforms and soak pits were constructed in existing water points for efficient wastewater management.</p> <p>Low-cost filters were also installed as a test case in several water points in the villages, schools, AWCs and health centres.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>Swaccho Nirapad Parivesh (Clean and Safe Environment), Khoyrasole Block, Birbhum, West Bengal- Under the programme, sanitation infrastructure at schools and the AWCs were augmented to ensure running water and improved sanitation. Rainwater recharge shafts and soak pits were constructed as model cases with a view to facilitating groundwater recharge and efficient management of wastewater. As part of software components, formation and strengthening of child cabinets and school development committees was undertaken in schools. The members of the Village Water and Sanitation Committees were capacitated to discharge their duties effectively and support O&amp;M of the programme.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
<p>“Prajwala” - Swachh Balika, Swachh Vidyalaya- The project aimed at making 207 Kasturba Gandhi Balika Vidyalayas (KGBVs) in Madhya Pradesh ‘WASH compliant’. KGBV scheme was launched in 2004 by the Ministry of Education, Government of India. The scheme focuses on providing girls from socially disadvantaged backgrounds with accessibility to residential schools. These were set up in Economically Backward Blocks (EBBs) of India where the rural female literacy level was below the national average and gender gap in literacy was more than the national average. The national evaluation of the KGBVs conducted in 2008 stated hygiene and sanitation as two key areas that required attention. The need for quality WASH intervention in KGBVs led to the implementation of Project Prajwala. This three-year project included two key components, hardware (infrastructural repairs and renovations) and software (awareness sessions).</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>“Prajwala” Swachh Balika, Swachh Vidyalaya Rajasthan- With the aim of making 200 Kasturba Gandhi Balika Vidyalayas (KGBVs) in Rajasthan ‘WASH compliant’, this project focused on functional toilets/urinals, strengthened safe drinking water access, clean surroundings and basic information and adaptation of critical hygiene practices including Menstrual Hygiene Management (MHM) and strengthening institutional practices to ensure operations and maintenance.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>Ensuring Sustainable Drinking Water Safety and Security- This project was undertaken to address the need for access to safe drinking water in all seasons across 20 habitations (Nandurbar and Navapur blocks, Nandurbar district) through solar mini piped water supply scheme. This would also include innovative methods for storage by community engagement in planning and implementation. Additionally, the project ensured water supply in Schools and Anganwadis. This project was a demonstration of the Swajal scheme of the Govt. of India. The project intervention also involved setting up of solar based piped water supply system in 15 habitations and strengthening the existing water supply scheme in 5 habitations of Navapur Block in Nandurbar district.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
<p>Technical Assistance for implementing Community led village water safety &amp; security (VWSS) in villages- This project was a demonstration in alignment with the Jal Jeevan Mission through community engagement in planning and implementation to address the need for access to safe drinking water in all seasons in 20 habitations of Karauli district (Sapotra &amp; Mandrail Blocks) of Rajasthan.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>Promoting Sustainability of WASH facilities and Child Centered Governance in the Schools- The programme was initiated with an aim of enhancing the access to clean and safe drinking water, toilets, and other WASH facilities to ensure a disease-free environment in government schools in the Rameswaram island, Tamil Nadu. As part of hardware interventions, this project included piloting, repairing and retrofitting of WASH infrastructure. As part of its software interventions, the programme focused on changing behaviors of students as well as generating awareness among the community at large towards adoption of recommended WASH practices. In addition, the capacities of the school staff were developed to enable them to sustain operations and maintenance of the infrastructure. The study incorporated an infrastructural assessment component to evaluate the hardware infrastructure.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>Building Water Security for Green Rameswaram- This water security programme was initiated to enhance access to safe drinking water and water among other uses, to build water security among the communities in Rameswaram island, Tamil Nadu. The programme adopted two approaches to fulfil its objective - with components clubbed under either 'hardware' or 'software' activities, this project constructed infrastructure and installed equipment such as community RO plants. Additionally, the programme focused on generating awareness among community members on sustainable use of water and sanitation and hygiene practices as well as driving behaviour change towards the adoption of recommended practices.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
<p>Disha- This was a sustainable livelihood programme by way of providing skill training and employment / self-employment to rural elderly men and women from Birbhum, West Bengal. This project aimed at training the rural elderly in two specific occupations: beekeeping (apiculture) and the production of neem oil and neem cake. These two activities do not involve extensive physical labour thus were chosen by the senior citizens to help build the financial security, self-esteem, and a social circle - which are crucial components to lead a dignified life.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>Disaster Relief Project post Gaja Cyclone- This project was implemented to address the devastating impact of Gaja Cyclone in Tamil Nadu. The aim of the programme was to provide post disaster relief to students in 30 schools of Nagapattinam and Thanjavur impacted by the cyclone in close coordination with the Government. The programme focused on hardware activities such as WASH based infrastructural repairs and renovation. It also included software activities such as awareness sessions on health and hygiene.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>Alokito Shoishab (Enlightened Childhood)- This programme was designed to work towards enhancing student learning outcomes of 118 government schools in Rajnagar Block. The aim of the project was to bring students (6-10 years) to their age-appropriate competency levels primarily in English, Bengali and Mathematics. Education centres were set up in the schools with trained para-teachers (Shikshan Mitras) who were recruited from the local community.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>
<p>“Prajwala” (education) Rajasthan- This programme aimed to improve education in both literacy and numeracy in 200 Kasturba Gandhi Balika Vidyalayas (KGVBs) which are residential schools for girls from socially disadvantaged backgrounds.</p>	NA	NA	Yes	Yes	<a href="https://www.nseindia.com/investor-relations/other-disclosures">https://www.nseindia.com/investor-relations/other-disclosures</a>

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Ans. NSE doesn't have any mechanisms to receive and redress grievances of the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	0	0
Sourced directly from within the district and neighbouring districts	0	0

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent
1.	Maharashtra	Nandurbar, Osmanabad	6,75,00,564.05
2.	West Bengal	Birbhum	4,02,93,619.47
3.	Rajasthan	Karauli	6,42,35,495.55
4.	Tamil Nadu	Ramanathapuram	5,13,46,780.12
5.	Nagaland	Kiphire	1,06,94,271.95

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

Ans. No, NSE does not have a preferential procurement policy

- b) From which marginalised /vulnerable groups do you procure?

Ans. Nil

- c) What percentage of total procurement (by value) does it constitute?

Ans. Nil

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	Not Applicable	Not Applicable	Not Applicable	Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable	Not Applicable	Not Applicable

## 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalised groups
1	'Integrated Safe Drinking Water Project in partnership with Jal Jeevan Mission [JJM] in Nandurbar'	21,718	100%
2	Technical support to 2 Aspirational Districts (Karauli, and Ramanathapuram) for effective implementation of Jal Jeevan Mission and Swachh Bharat Mission	6,257	91%
3	Urban Comprehensive Primary Health Care	5,00,000	100%
4	Innovative Medical Devices for Affordable Healthcare	New project	NA
5	Strengthening Primary Health care services in Kiphire District in Nagaland by managing Mobile Medical Unit (MMU) & Government PHC	12,325	100%
6	Hyperlocal air pollution monitoring using mobile monitoring for Gurugram and Mumbai	50,000	50%
7	Phase-1: Integrated Energy Monitoring and Management System for a Large Commercial Complex towards 100% Renewable Energy Utilization	At research stage	NA
8	Suswasthya Strengthening health and nutrition services for women, children and adolescents in Khoyrasol Block of Birbhum and upscaling the best practices in other 18 blocks through capacity building and advocacy	7,674	100%
9	Strengthening Wash In Municipal Schools Of Ahmedabad	12,000	100%
10	Creating a Learning Culture	9,537	100%
11	"Ankuram" Foundational Learning Enhancement in Primary Grades [I-V] in Government Schools in Todabhim block of Karauli district Rajasthan	11,622	95%
12	Atikrānta-An initiative towards transformation	1,920	100%
13	Rice fortification for better nutrition outcomes in the State of Nagaland	3,78,966	100%
14	SWIFT Growth (Sustainable Water Institutions for Tangible Growth)	37,720	100%
15	Sustainable springshed and agriculture development in Kiphire district in Nagaland	639	100%
16	ShikshaDeep Prakalpa-II: Creating sustainable community-led SLCs (Supplementary Learning Centres)	3,025	90%
17	Integrated Solid and Liquid Waste Management, Karauli	34,665	100%
18	"Water, Agriculture and Food Security (WAFS) Project" in Bogalur and Mudukulathur Blocks of Ramanathapuram District	16,540	100%
19	Empower Women and Girls - for improving Maternal, Child and Adolescent Health and Nutrition	4,000	93%
20	NSE Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya	7,795	100%

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalised groups
21	Urban Learning Improvement Program"	2,383	100%
22	An initiative to support healthy ageing in the rural communities	5,001	100%
23	Creating And Enabling a Learning Environment for Academic Excellence	8,405	100%
24	Technical Support Unit to Mainstream Elder Collectives	47,607	92%
25	Promotion Of Swachh and Swasth Hindaun Block of Karauli District in Rajasthan	2,849	100%
26	EQUIP (EDUCATION QUALITY IMPROVEMENT PROJECT) Thirupulani	5,343	100%
27	Foundational Learning Enhancement In Primary Grades [I-V] In Government Schools In Hindaun Block Of Karauli District Rajasthan	16,999	98%
28	Creating Enablers for ODF Sustainability	28,206	100%
29	Wash Scale Up Initiative Swaccho - Nirapad Parivesh (Clean and Safe Environment)	47,927	100%
30	"Gram Samrudhi"- Community Led Climate Smart Initiatives, to Safeguard Local Livelihood and Environment at Dhadgaon and Akalkuwa, tribal blocks in Nandurbar district of Maharashtra	7,673	100%
31	Student Teacher Empowerment Program Plus	3,500	100%
32	Serving and Enriching Education to Under-privileged Tribal Children in Talode Block of Nandurbar District	3,195	100%
33	Sahaj Path: Bridging Learning gaps of students in government primary schools of Dubrajpur block of Birbhum district, West Bengal	7,978	88.73%
34	Sustainable Community ODF Program at Ramanathapuram Block, Ramanathapuram District, Tamil Nadu.	57,770	100%
35	To provide sustainable livelihood by way of providing construction Skill training and employment / self-employment for Rural Youth from Nandurbar, Maharashtra.	600	100%
36	SCORE [Sustainable Conservation of Water Resources Through Enabling] Community-led Development	5,200	100%
37	Robotic Solutions for cleaning of Septic Tanks	400	100%
38	Rehli Shiksha Pahal Program (RSPP)	17,226	100%
39	CAVACH- COVID relief activities	1,00,000	100%

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

##### Ans.

In our endeavour to increase the convenience to investors and trading members for filing complaints, arbitration matters, and claims against members declared defaulter / expelled, the Exchange provides an online portal viz. NSE Investor Centre 'NICE Plus'. All investors registered on the above portal can file complaints/arbitration against active members of the Exchange and claims against the defaulter / expelled member. To provide faster resolution of complaints, the same is referred to Grievance Redressal Committee (GRC). The Exchange facilitates GRC meetings and conducts arbitration meetings through a video conference facility or in-person, as per choice of the parties. For ease of filing the claim against the defaulter / expelled member, a Standard Operating Procedure (SOP) covering a detailed process and timelines for obtaining information from investors, investor claim processing from IPF, review of claims, and the timeline for the declaration of a trading member as a defaulter, along with a policy for the evaluation of claims is available on the exchange website.

NSE has a "Whistle Blower Policy" in place as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. This Whistle Blower Policy deals with complaints ("protected disclosures") such as Conflict of interest of employees, Insider trading violations, Preferential treatment by Company to individual or specific group of trading members, Violation of legal and / or regulatory provisions, Employee misconduct such as bribery and corruption, instances of unethical behaviour, actual or suspected, fraud, financial or operational mismanagement/irregularities, abuse of Authority, Manipulation of company data/records, Pilferage of confidential/propriety information, Wastage/ misappropriation of company funds/assets, Deficiencies in the internal controls of the Company, any other unethical event or any instances of leak of Unpublished Price Sensitive Information (UPSI).

The complaints could be against employees or other stakeholders including trading members, listed companies, vendors, consultants, service providers, business partners, and clients of trading members or any other third party associated with the Company. Protected disclosure can be physically sent or mailed at an email id [whistleblower@nse.co.in](mailto:whistleblower@nse.co.in). In exceptional cases (such as potential victimization or threat to the Whistle Blower), the Whistle Blower can directly make a Protected Disclosure to the Chairman of the Audit Committee of NSEIL at [ChairmanAC@nse.co.in](mailto:ChairmanAC@nse.co.in). All protected disclosures shall be dealt with in accordance with the internal procedures and the implementation of the Policy and procedures shall be monitored by the Audit Committee.

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure. Complete protection will be given to whistle blowers against any unfair practice. If an investigation leads to the conclusion that an improper or unethical act has been committed, the Whistle Blower Panel/ MD & CEO shall recommend to the Audit Committee to take such disciplinary or corrective action as they may deem fit. As per the requirement of Listing Regulations, details of Vigil Mechanism are provided on our Company's website at [https://archives.nseindia.com/global/content/about\\_us/NSE\\_dtls\\_VM.pdf](https://archives.nseindia.com/global/content/about_us/NSE_dtls_VM.pdf)

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

**3. Number of consumer complaints in respect of the following:**

Category	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NIL	0	0	NIL
Advertising	0	0	NIL	0	0	NIL
Cyber-security	0	0	NIL	0	0	NIL
Delivery of essential services	0	0	NIL	0	0	NIL
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	0	0	NIL	0	0	NIL
Other	0	0	NIL	0	0	NIL

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	0
Forced recalls	0	0

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Ans. Yes, NSE has a cyber security policy in place to mitigate risks related to data privacy. Due to confidentiality issues, we do not share the policy in public domain.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Ans. Given that no such incidents have happened, the corrective actions are not applicable.

**Leadership Indicators**
**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Ans. NSE uses its official website to communicate information on products and services of the entity. <https://www.nseindia.com/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Ans. Creating awareness and understanding about financial markets and investment opportunities has remained a priority area for NSE. Towards this, NSE regularly undertakes investor awareness programs via a blend of physical sessions and webinars to educate investors about the benefits and risks associated with investments in capital markets. During FY '23, 4965 investor awareness programs have been conducted by NSE covering 2.65 lakh participants to create awareness about capital markets and do's and don'ts of investing along with tips for being an informed investor.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Ans. NSE's customers are informed of disruption in service, if any, through SMS, website notice, etc.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Ans. Yes. NSE not only creates awareness about the product, but also about the risk profile and suitability of the product to the category of investor.

**5. Provide the following information relating to data breaches:**
**a) Number of instances of data breaches along-with impact**

Ans. No such incidents were reported by NSE

**b) Percentage of data breaches involving personally identifiable information of customers**

Ans. NIL

# Board's Report

To,  
The Members,

Your Directors have pleasure in presenting the Thirty First Annual Report and Audited Financial Statements of the National Stock Exchange of India Limited (referred herein as the 'NSE' or 'your Company' or 'the Exchange') for the year ended March 31, 2023.

## 1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

### 1.1. Global rankings - Derivatives Market

#### 1.1.1 All products

NSE remained the largest derivatives Exchange in the world for the fourth year in a row in 2022 based on the total number of contracts traded. The number of traded contracts at NSE grew by a strong 121% in 2022 to 38bn following a ~100% increase in the previous year. This was nearly four times the contracts traded at Brazilian B3 (Brasil Bolsa Balcão) Exchange—the second largest derivate exchange with 8.3bn contracts traded, followed by the CME Group at 5.8bn contracts. Among the top 10 exchanges globally, four exchanges were from the US, two from China and one each from India, Brazil and Korea.

**Table 1: Top 10 Exchanges in derivatives market in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded (million)	% YoY
1	National Stock Exchange of India	India	38,114	120.9%
2	B3	Brazil	8,314	-5.0%
3	CME Group	US	5,846	18.3%
4	CBOE Global Markets	US	3,476	12.3%
5	Intercontinental Exchange	US	3,435	3.5%
6	Nasdaq	US	3,148	-4.4%
7	Borsa Istanbul	Turkey	2,727	31.0%
8	Zhengzhou Commodity Exchange	China	2,398	-7.1%
9	Dalian Commodity Exchange	China	2,275	-3.8%
10	Korea Exchange	South Korea	2,058	-9.8%

Source: FIA Annual Review of 2022 ETD Trading Trends

#### 1.1.2 Single Stock Futures

In the single stock futures segment, the top three positions were maintained by Borsa Istanbul, B3 from Brazil and Korea Exchange with 2.4bn, 1.3bn and 901m contracts traded respectively. While Borsa Istanbul and B3 saw a 43% and 44% YoY increase, the contracts traded in Korea Exchange dropped by 36% YoY. NSE jumped a notch higher to fourth position with a 14% YoY increase respectively, in contracts traded over the year to 289m. Moscow Exchange slipped to the fifth position with an 8% drop in contracts traded over the year.

**Table 2: Top 10 Exchanges in single stock futures in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded (million)	% YoY
1	Borsa Istanbul	Turkey	2,493	43%
2	B3 - Brasil Bolsa Balcão	Brazil	1,353	44%
3	Korea Exchange	Korea	901	-26%
4	National Stock Exchange of India	India	289	14%
5	Moscow Exchange	Russia	260	-8%
6	Deutsche Boerse AG	Germany	99	6%
7	Thailand Futures Exchange	Thailand	57	-19%
8	Taiwan Futures Exchange	Taiwan	54	-28%
9	Pakistan Stock Exchange	Pakistan	46	-28%
10	ICE Futures Europe	UK	22	20%

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

### 1.1.3 Single Stock Options

All the major exchanges, except for NSE and Tehran Stock Exchange occupying the top 10 positions, saw a fall in the number of contracts traded in 2022. Iran Fara Bourse Securities Exchange maintained its top spot with 1.9bn contracts traded, followed by Nasdaq-US, B3 from Brazil and CBOE Global Markets. NSE's rank jumped two notches higher to sixth position with 810m contracts traded, implying an increase of 35%. Tehran Stock Exchange saw a 379% YoY jump in number of contracts traded over the year.

**Table 3: Top 10 exchanges in single stock options in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded (million)	% YoY
1	Iran Fara Bourse Securities Exchange	Iran	1,954	-29%
2	Nasdaq - US	US	1,786	-24%
3	B3 - Brasil Bolsa Balcão	Brazil	1,679	-9%
4	CBOE Global Markets	US	1,547	-10%
5	NYSE	US	1,091	-11%
<b>6</b>	<b>National Stock Exchange of India</b>	<b>India</b>	<b>810</b>	<b>35%</b>
7	MIAX Exchange Group	US	772	-20%
8	International Securities Exchange	US	516	-39%
9	Tehran Stock Exchange	Iran	212	379%
10	Deutsche Boerse AG	Germany	172	-15%

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

### 1.1.4 Stock Index Futures

After dropping out of top 10 exchanges in 2021, NSE's rank jumped from 11th to 9th, with 110m contracts traded during the year, implying a growth of 23% YoY. B3 from Brazil, CME Group and Deutsche Boerse AG maintained the top three positions with 4.2bn, 1.6bn and 536m contracts traded respectively. in the calendar year 2022. Barring B3 from Brazil and Moscow Stock Exchange, all others among the top 10 exchanges saw an YoY increase in the contracts traded in 2022. Borsa Istanbul slipped to the 11th position after a 6% YoY fall in the number of contracts traded.

**Table 4: Top 10 exchanges in stock index futures in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded (million)	% YoY
1	B3 - Brasil Bolsa Balcão	Brazil	4,203	-9%
2	CME Group	US	1,616	35%
3	Deutsche Boerse AG	Germany	536	27%
4	Japan Exchange Group	Japan	338	20%
5	Singapore Exchange	Singapore	182	8%
6	Hong Kong Exchanges and Clearing	Hong Kong	138	37%
7	Taiwan Futures Exchange	Taiwan	128	8%
8	Korea Exchange	Korea	123	4%
<b>9</b>	<b>National Stock Exchange of India</b>	<b>India</b>	<b>110</b>	<b>23%</b>
10	Moscow Exchange	Russia	98	-43%

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

### 1.1.5 Stock Index Options

NSE retained the top spot in Stock Index Options with 32.5bn contracts traded in the calendar year 2022, translating to a 135% YoY increase. This was nearly 40x the number of contracts traded at the Korea Exchange the second largest in this segment.

**Table 5: Top 10 exchanges in stock index options in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded (million)	% YoY
1	National Stock Exchange of India	India	32,571	135%
2	Korea Exchange	Korea	810	7%
3	CBOE Global Markets	US	715	44%
4	Deutsche Boerse AG	Germany	421	18%
5	CME Group	US	305	60%
6	Taiwan Futures Exchange	Taiwan	201	2%
7	India International Exchange	India	183	10%
8	B3 - Brasil Bolsa Balcão	Brazil	52	-26%
9	China Financial Futures Exchange	China	39	29%
10	Hong Kong Exchanges and Clearing	Hong Kong	31	27%

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

### 1.1.6 Currency Futures

With a 55% YoY increase in contracts traded to 1.25bn in the calendar year 2022, NSE rose to the first position in the currency futures segment, beating Moscow Exchange that slipped to the third position, thanks to a 12% drop in contracts traded. B3 from Brazil jumped to the second position with 904m contracts traded.

**Table 6: Top 10 exchanges in Currency Futures in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded (million)	% YoY
1	National Stock Exchange of India	India	1,250	55%
2	B3 - Brasil Bolsa Balcão	Brazil	904	18%
3	Moscow Exchange	Russia	774	-12%
4	BSE Limited	India	561	60%
5	CME Group	US	237	24%
6	Matba Rofex	Argentina	174	57%
7	Korea Exchange	Korea	127	27%
8	Borsa Istanbul	Turkey	70	-27%
9	Singapore Exchange	Singapore	34	30%
10	Johannesburg Stock Exchange	South Africa	33	1%

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

### 1.1.7 Currency Options

After doubling the contracts traded on a YoY basis for the second year in the row, NSE maintained its top position in the currency options segment with 3.1bn contracts traded in 2022. BSE remained at the second position despite a 30% YoY fall in the number of contracts traded. Johannesburg Stock Exchange stood third, replacing Moscow Stock Exchange after the latter saw a 42% YoY decline in the number of contracts traded. Dubai Gold and Commodities Exchange entered the list of top 10 exchanges at the seventh position with a 1576% YoY increase in the number of contracts traded in the currency options segment.

**Table 7: Top 10 exchanges in Currency Options in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded ('000)	% YoY
1	National Stock Exchange of India	India	30,81,666	111%
2	BSE Limited	India	3,23,854	-30%
3	Johannesburg Stock Exchange	South Africa	19,650	0%
4	Moscow Exchange	Russia	15,348	-42%
5	CME Group	US	10,694	15%
6	Tel-Aviv Stock Exchange	Israel	9,843	-16%
7	B3 - Brasil Bolsa Balcão	Brazil	4,895	-5%
8	Borsa Istanbul	Turkey	427	-43%
9	Dubai Gold and Commodities Exchange	Dubai	199	1576%
10	Bourse de Montreal	UAE	37	119%

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

Note: \* BSE's contracts traded is taken from the SEBI Bulletin.

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=4&ssid=80&smid=107>

### 1.1.8 Interest Rate Futures

NSE's rank in the interest rate futures segment jumped a notch higher to the 12th position in 2022 despite a 16% YoY decrease in contracts traded to 1.4m. CME Group, B3 from Brazil, and Deutsche Boerse AG maintained the top three positions with 2.1bn, 679m and 663m contracts traded in 2022 respectively.

**Table 8: Top 10 exchanges in Interest Rate Futures in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded (million)	% YoY
1	CME Group	US	2,141	18%
2	B3 - Brasil Bolsa Balcão	Brazil	679	-2%
3	Deutsche Boerse AG	Germany	663	20%
4	ICE Futures Europe	UK	346	-13%
5	ASX Australian Securities Exchange	Australia	118	-4%
6	Bourse de Montreal	Canada	69	-7%
7	Korea Exchange	Korea	54	1%
8	China Financial Futures Exchange	China	40	61%
9	Johannesburg Stock Exchange	South Africa	14	14%
10	Japan Exchange Group	Japan	8	-1%

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

### 1.1.9 Interest Rate Options

The CME group retained its top position in the interest rate options segment with 574m contracts traded in 2022. B3 from Brazil slipped a rank lower to the third position following a 46% YoY decline in contracts traded. NSE re-entered the list of top 10 exchanges and stood at the 10th position, with just 20 contracts traded through the year.

**Table 9: Top 10 exchanges in Interest Rate Options in the calendar year 2022**

Rank	Exchange	Country	No. of Contracts traded ('000)	% YoY
1	CME Group	US	5,74,751	15%
2	ICE Futures Europe	UK	82,398	3%
3	B3 - Brasil Bolsa Balcão	Brazil	75,380	-46%
4	Deutsche Boerse AG	Germany	63,060	19%
5	Nasdaq Nordic and Baltics	US	5,738	-6%
6	Johannesburg Stock Exchange	South Africa	656	8%
7	Bourse de Montreal	Canada	116	-68%
8	Japan Exchange Group	Japan	86	-56%
9	ASX Australian Securities Exchange	Australia	10	-79%
<b>10</b>	<b>National Stock Exchange of India</b>	<b>India</b>	<b>0.020</b>	<b>N/A</b>

Source: WFE Statistics, <https://www.world-exchanges.org/our-work/statistics>

### 1.2 Global Rankings - Capital Market

Despite a 9% YoY decline in the number of trades in the capital market segment, NSE rose to the third position with 4.9bn trades taking place in 2022. The segment was again led by two Chinese exchanges – Shenzhen Stock exchange and Shanghai Stock exchange with 11bn and 8bn trades, implying a growth of 20% and 16% YoY respectively. Nasdaq, Korea Exchange, CBOE Global Markets ranked fourth, fifth and sixth respectively.

**Table 10: Top 10 exchanges in Capital Market segment in the calendar year 2022**

Rank	Exchange	Country	No. of trades (million)	% YoY
1	Shenzhen Stock Exchange	China	11,299	20%
2	Shanghai Stock Exchange	China	8,109	16%
<b>3</b>	<b>National Stock Exchange of India</b>	<b>India</b>	<b>4,956</b>	<b>-9%</b>
4	Nasdaq	US	4,542	18%
5	Korea Exchange	Korea	3,986	-28%
6	CBOE Global Markets	US	3,826	9%
7	NYSE	US	3,617	16%
8	Japan Exchange Group	Japan	919	5%
9	Borsa Istanbul	Turkey	884	39%
10	CBOE Europe	Europe	786	48%

Source: WFE Statistics, <https://www.world-exchanges.org/our-work/statistics>

### 1.3 Global Rankings - Market Capitalization

Relative outperformance of Indian equities vis-à-vis other large global markets led to India's rank in terms of total market capitalisation moving two notches higher in 2022, beating United Kingdom and France. With a market capitalisation of US\$ 3.3trn as on December 31, 2022, India ranked fifth among the top 10 most valued countries in the world. The US maintained the top spot despite a 24% YoY drop in market capitalisation to US\$ 41.1trn followed by China at US\$ 10.1trn. Japan and Hong Kong competed closely and retained the third and fourth spot respectively, despite a steady drop in market capitalisation for the second consecutive year. All the top 10 countries witnessed a YoY decline in their market capitalisation in 2022.

**Table 11: Top 10 Countries in terms of Market Cap in the calendar year 2022**

Rank	Country	Market Capitalization (US\$ trn)	% YoY
1	United States	41.1	-24%
2	China	10.1	-22%
3	Japan	5.5	-18%
4	Hong Kong	5.2	-14%
5	India	5.2	-4%
6	United Kingdom	2.9	-21%
7	France	2.9	-17%
8	Canada	2.7	-15%
9	Saudi Arabia	2.6	-1%
10	Germany	2.1	-23%

Source: Bloomberg.

#### 1.3.1 New developments in Listing

##### March 2023 – Social Stock Exchange

Pursuant to announcement by Hon'ble Finance Minister in her Union Budget speech of 2019-20, SEBI permitted Exchanges to launch Social Stock Exchange as a segment on exchange to facilitate fund raising and growth of social enterprises on a regulated platform.

NSE received the approval from SEBI for introducing Social Stock Exchange as a separate segment of NSE. Accordingly, the SSE segment of NSE has commenced the registration of NPOs.

##### March 2023 – Introduction of Issue Summary Document (ISD) for public issue of specified securities

To facilitate consumption of data by stakeholders such as researchers, policy makers, market analysts, and market participants, in respect of public issues, further issues, buyback, offers under SEBI Takeover Regulations and SEBI Delisting Regulations, etc., SEBI decided to make available relevant information / data points at the Stock Exchanges and Depositories in a structured manner. Accordingly, the Issuers/Listed Entities are required to submit an Issue Summary Document (ISD) with respect to public issue of specified securities (IPO/FPO) in XBRL (Extensible Business Reporting Language) format at various stages within the prescribed timelines.

Accordingly, the ISD for public issues of specified securities has been rolled out by the Exchange for draft offer documents for IPO/FPO filed on or after March 01, 2023.

##### November 2022 – Prefiling of draft offer document for IPOs

SEBI introduced Chapter IIA in the SEBI ICDR regulation, which gives issuers option to make a confidential filing of draft offer document with SEBI and Exchange for listing on Main Board of the Exchange without making it available to the public. Once the Exchange/s and SEBI give their in-principle approval / observation letter, respectively, the issuer may file UDRHP-I, a public document, incorporating all observations provided by SEBI/Stock Exchanges, within 16 months from SEBI Observation letter and open the issue within 18 months from SEBI Observation letter.

Pursuant to the above, the Exchange has laid down its internal framework, to facilitate the above.

## 1.4 Commodity Derivatives

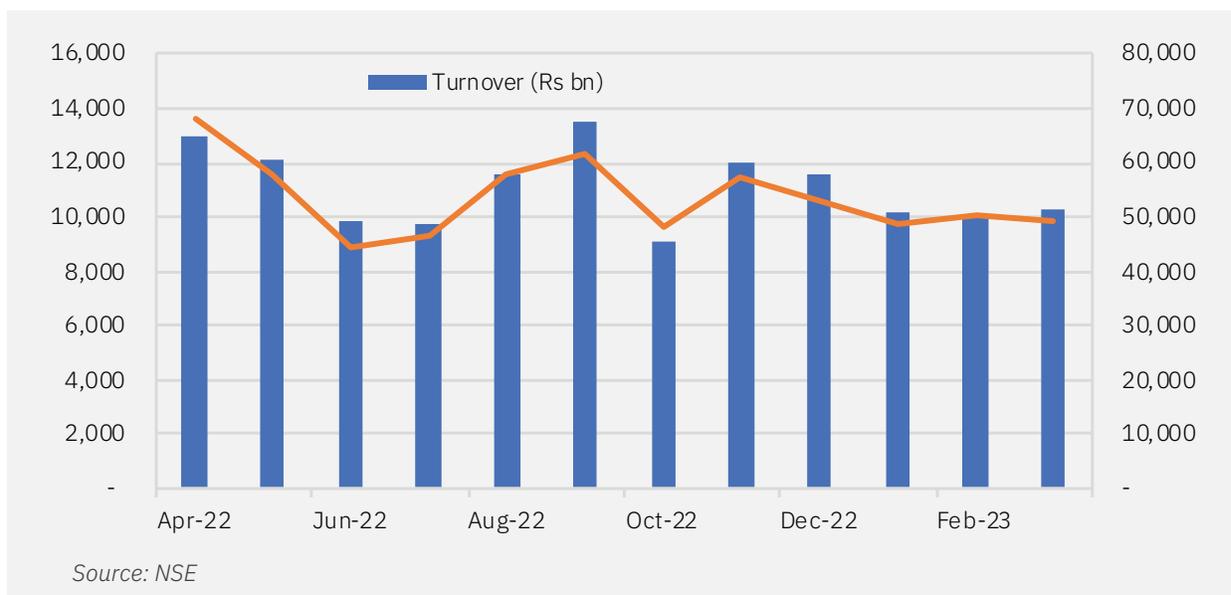
NSE offers Futures on Gold (1Kg, 100 grams and 1 gram), Silver, Copper and Brent Crude Oil and Options (on Goods) on Gold Mini (100 grams), Silver and Copper. During FY 2022-23, NSE Commodity Derivatives segment witnessed a total turnover of ₹14 Crs. in futures and premium turnover of ₹112 Crs. in options. The Average Daily Turnover (ADT) in commodity derivatives for the FY 2022-23 stood at ₹49 Lakhs. The total number of trading members enabled in commodity derivative segment has declined to 171 for the year 2022-23 as compared to 175 for the year 2021-22.

During FY 2022-23, physical settlement of more than three (3) Kgs of gold was handled in the Gold Mini contracts.

## 1.5 Capital Market (CM segment)

The total turnover of CM segment in the year 2022-23 was ₹1,33,05,073 Crs. as compared to ₹1,65,55,257 Crs. in the year 2021-22, registering a decline of 19.7% YoY. The average daily traded value in 2022-23 was ₹53,434 Crs. as compared to ₹66,799 Crs. in 2021-22. As on March 31, 2023, the number of listed companies available for trading was 2,138 compared to 2,011 at the end of March 31, 2022. The total number of trading members enabled in the Capital Market segment has declined to 960 for the year 2022-23 as compared to 972 for the year 2021-22.

**Figure 1: Month-wise Turnover and Average Daily Turnover in CM segment in FY2022-23**



**Table 12 : Turnover Statistics on CM segment**

Sr. No.	Details	2022-23	2021-22	% Rise/ (Fall)
1	Total Number of trades (In lakhs)	47,331	55,709	(15.0)
2	Total number of shares traded (In lakhs)	62,76,848	76,10,238	(17.5)
3	Total Turnover (₹ Crs.)	1,33,05,073	1,65,66,237	(19.7)
4	Market Capitalization at the end of year (₹ Crs.)	2,56,32,704	2,61,81,064	(2.1)
5	Turnover of Nifty 50 Securities (₹ Crs.)	53,10,257	64,69,027	(17.9)
6	Total number of listed companies for trading.	2,138	2,011	6.3

Source: NSE

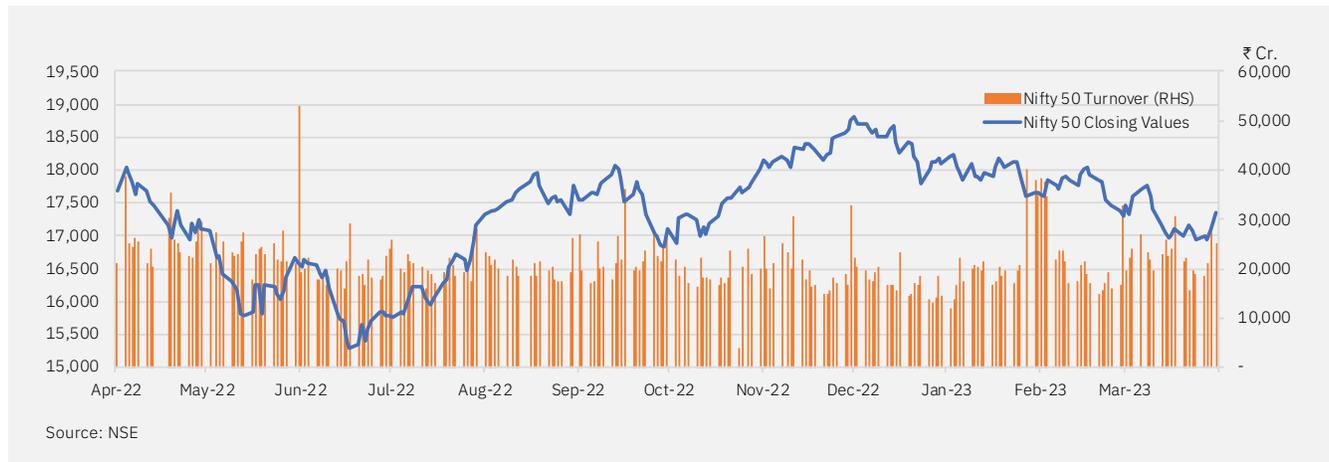
Note: The changes in turnover statistics over the preceding year are presented in Table 12

### 1.5.1 Index movement

Nifty 50 index declined by a modest 0.6%, falling 105 points from 17,465 to 17,360 over the financial year 2022-23. During the year, the Nifty 50 index touched a high of 18,813 on December 1, 2022 and low of 15,294 on June 17, 2022. Movement of Nifty 50 is shown in Figure 2.

The turnover of Nifty 50 securities was ₹53,10,257 Crs. in the year 2022-23 as compared to ₹64,69,027 Crs. in the previous year. The contribution of Nifty 50 securities turnover to total turnover during the year 2022-23 was 39.9% compared to 39% in the year 2021-22.

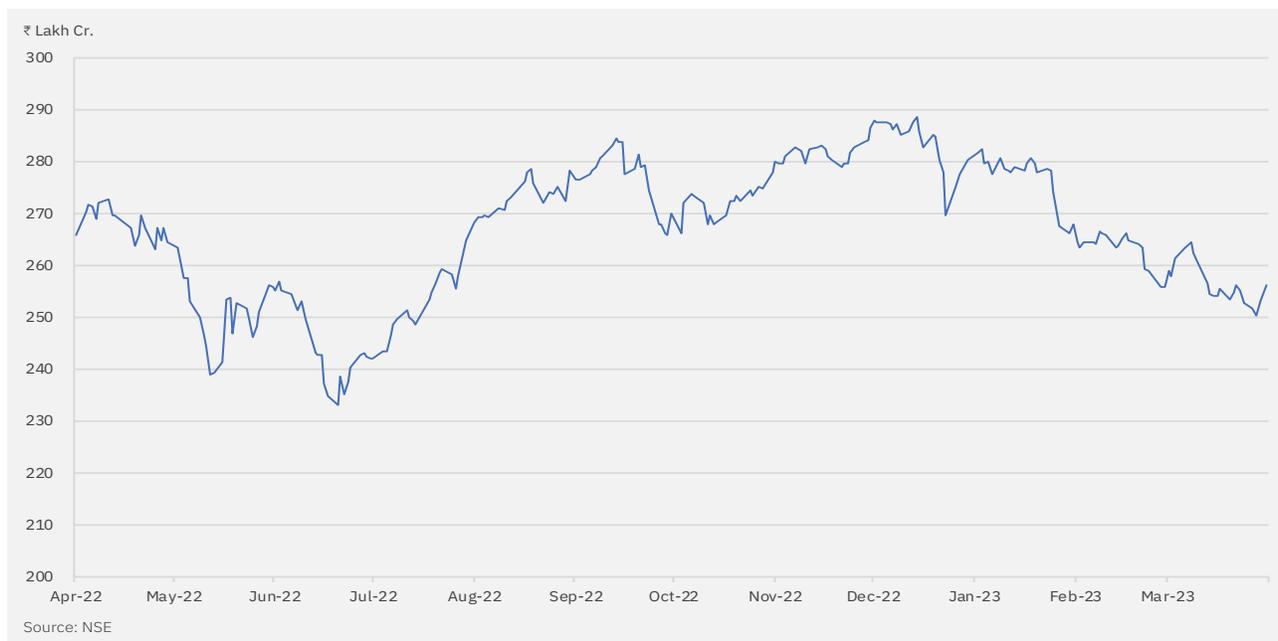
**Figure 2: Nifty 50 index movement and turnover in FY2022-23**



**1.5.2 Market Capitalisation**

The market capitalisation of securities available for trading on CM segment has declined 2.1% during 2022-23 from ₹2,61,81,064 Crs. as on March 31, 2022 to ₹2,56,32,704 Crs. as on March 31, 2023. Out of total market capitalisation as on March 31, 2023, ₹5,84,783 Crs. was contributed by newly listed securities. The market capitalisation growth is shown in Figure 3.

**Figure 3: Market Capitalisation of NSE-listed companies during year 2022-23**

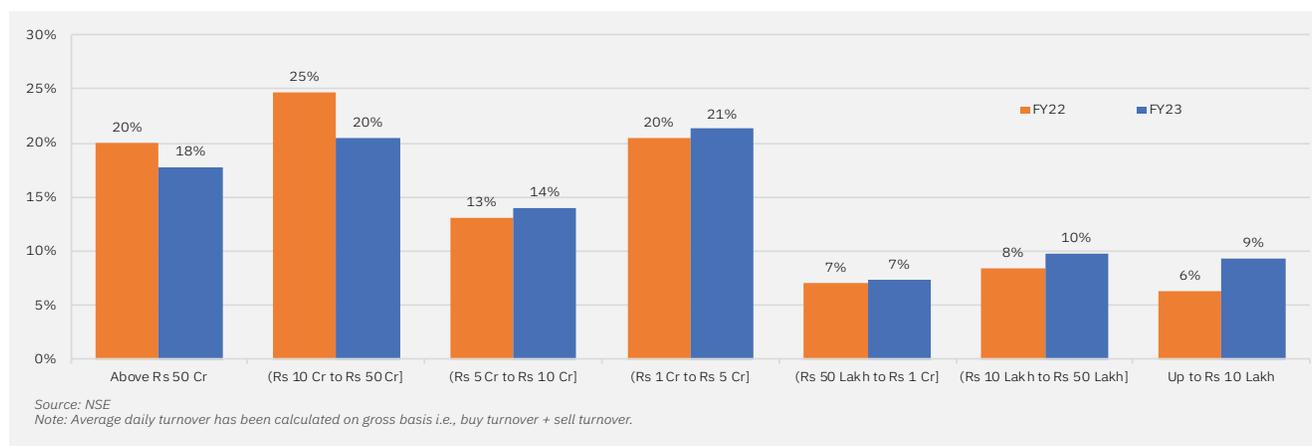


**1.5.3 Distribution of Turnover**

**Turnover-wise distribution of trading members**

About 75% of the trading members had an average daily turnover of 1 Crs. or more in 2022-23 vs 78% in the previous fiscal year. In 2021-22, around 45% of the trading members had daily turnover more than ₹10 Crs.

Figure 4: Average Daily Turnover-wise distribution of TMs



### 1.5.4 Capital raising

Table 13: Fund Raising Across Primary Market Products - FY 22-23

₹ Crs.

Product	2021-22	2022-23
IPO – Equity (Includes Public InvITs)	1,25,953	54,936
Electronic Book Primary Debt	2,45,560	3,21,272
Debt private placement	3,58,911	5,09,338
Commercial papers	8,31,120	7,03,755

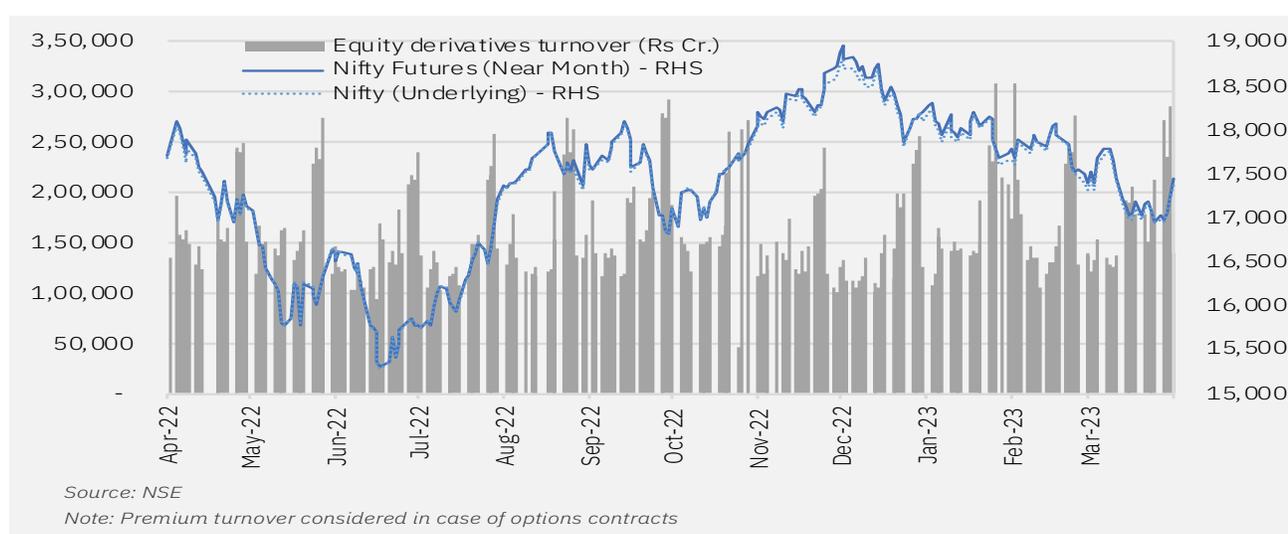
Note: Issue size includes re-issuance for private debt placement and commercial papers.

## 1.6 Futures and Options Segment

The financial year 2022-23 witnessed an increase of 11.4% in billable turnover and 124% in number of contracts traded respectively vis-à-vis 2021-22. The increase in daily average open interest (in terms of notional turnover) was 37% over the previous year in the F&O segment. The average share of proprietary category increased to 38% in 2022-23 from 34.8% in 2021-22. The total number of members enabled in equity derivative segment has declined to 919 for the year 2022-23 as compared to 929 for the year 2021-22.

### 1.6.1. Comparison of the closing prices of the NIFTY Near Month Futures Contract (F&O segment), movement in the prices of the underlying NIFTY Index (Cash segment) and the daily traded value of the F&O segment:

Figure 5: Movement in Nifty futures and underlying prices and trend in equity derivatives turnover in FY2022-23



### 1.6.2 Records achieved in the F&O segment during 2022-23:

A new record was set in Index Options premium turnover on February 1st, 2023, when the turnover touched ₹ 1,02,638 Crs. in a single day as compared to the average daily turnover of ₹ 43,998 Crs. during FY2022-23.

### 1.6.3 (a) Basic Statistics of the F&O segment:

**Table 14: Average daily turnover and open interest in F&O Segment**

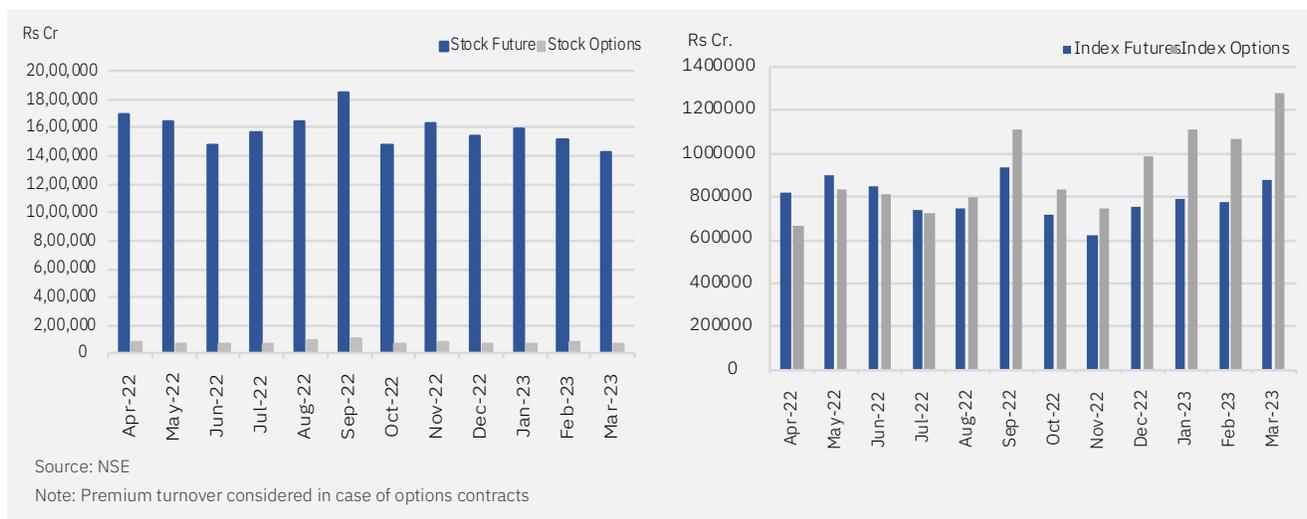
Particulars	Apr 22 to Jun 22	Jul 22 to Sep 22	Oct 22 to Dec 22	Jan 23 to Mar 23	2022-23	2021-22	% Change
Average daily number of contracts	125,360,270	145,686,401	166,775,301	233,469,599	167,733,991	75,242,113	122.9
Average daily traded notional turnover (₹ Crs.)	10,639,522	13,197,999	16,044,732	21,555,302	15,350,709	6,835,617	124.6
Open Interest (₹ Crs.)	1,977,659	2,236,878	2,570,119	2,792,115	2,393,561	1,747,457	37.04
End of day averages % of Open							
% of Open Interest to Daily Average Traded value	19%	17%	16%	13%	16%	26%	

Source: NSE

Note: Premium turnover considered in case of options contracts

### 1.6.3 (b) Graphical presentation of monthly product-wise contribution

**Figure 6**



Among all products, Index Options continued to dominate the total number of traded contracts with their contribution observed at 97.6% in 2022-23.

#### 1.6.4 Client category-wise participation in F&O Segment

Table 15: Client category-wise participation in terms of turnover and percentage share in F&O Segment

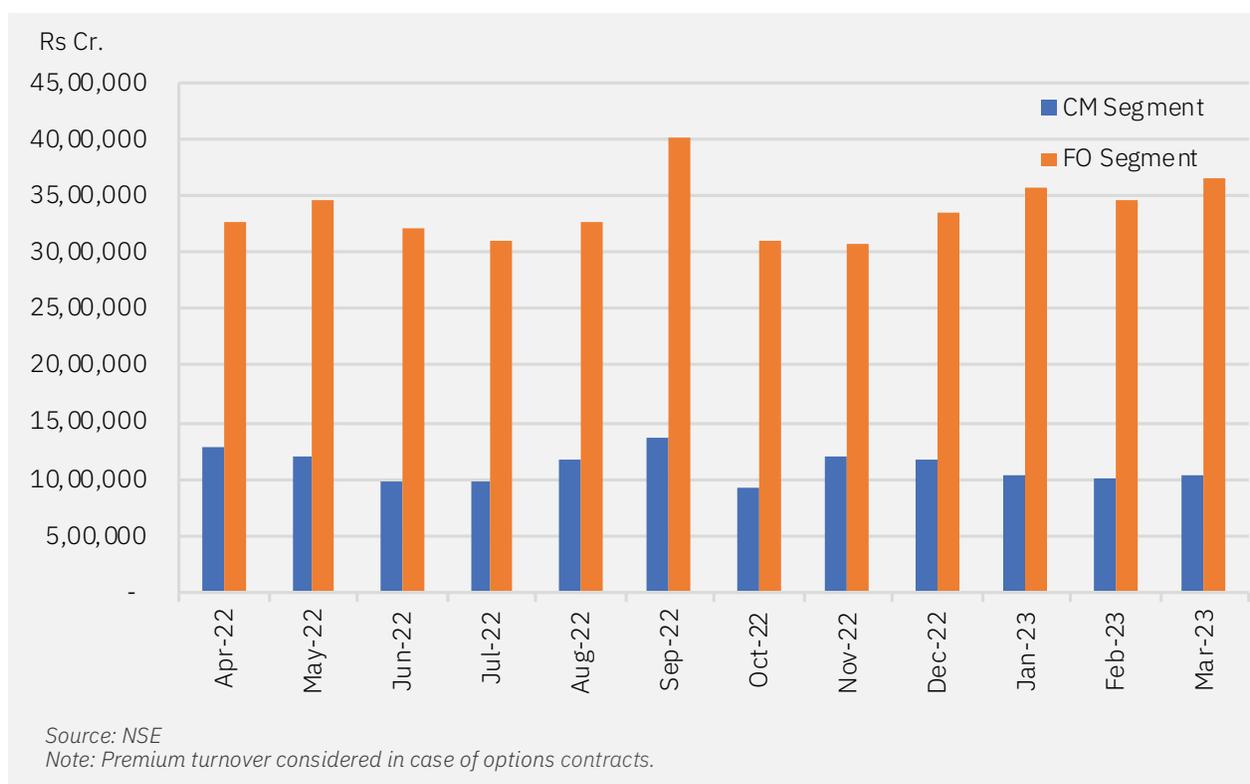
Product	2021-22		2022-23	
	Daily average gross traded value (₹ Crs.)	Share	Daily average gross traded value (₹ Crs.)	Share
Corporates	21,900	6.7%	24,683	8.4%
DIIIs	15,301	4.7%	15,071	5.1%
FPIs	53,999	16.6%	55,063	18.8%
Individual Investors	81,322	25.0%	70,130	23.9%
Proprietary Traders	123,652	38.0%	101,877	34.8%
Others	28,977	8.9%	26,318	9.0%
<b>Total</b>	<b>325,151</b>		<b>293,141</b>	

Source: NSE

Note: Premium turnover considered in case of options contracts. Gross traded value is the summation of buy and sell turnover. Client category code is based on client codes entered by trading members at the time of order entry and corresponding client category classification provided by trading members as part of the Unique Client Code (UCC) details. DII: Domestic Institutional Investors include Banks, Mutual Funds, Insurance Companies, NBFCs, Domestic VC Funds, AIFs, PMS clients etc., FPI: Foreign Institutional Investors include FPIs, FDIIs and Foreign VC Funds, OCB, Foreign Nationals etc., Prop traders: Proprietary Traders, Individual investors: individual domestic investors, NRIs, sole proprietorship firms and HUFs, Others: Partnership Firms/LLP, Trust / Society, AIF, Depository Receipts, Statutory Bodies, etc.

#### 1.6.5 Comparative analysis of the Traded Value in the F&O segment with the Cash segment:

Figure 7: Comparative analysis of the Traded Value in the F&O segment with the Cash segment



1.6.6 Product-wise Basic Statistics:

Table 16: Instrument-wise average daily turnover and open interest in F&O Segment

Category	Product	Apr 22 to Jun 212	Jul 22 to Sep 22	Oct 22 to Dec 22	Jan 23 to Mar 23	2022-23	2021-22	% Change
Average daily traded value (₹ Crs.)	Stock Futures	77,684	80,232	75,176	73,232	76,596	84,834	-9.7%
	Index Futures	41,520	38,323	33,717	39,381	38,236	33,989	12.5%
	Stock Options	216,559	260,593	241,974	231,634	237,782	226,886	4.8%
	Index Options	10,303,758	12,818,851	15,693,866	21,211,054	14,998,095	6,489,908	131.1%
Average OI Value (₹ Crs.)	Stock Futures	3,91,089	3,97,670	3,99,004	3,92,845	3,95,162	3,82,467	3.32%
	Index Futures	62,877	66,315	72,215	76,999	69,588	62,975	10.50%
	Stock Options	2,62,059	2,86,698	3,00,867	2,90,303	2,84,988	2,74,150	3.95%
	Index Options	12,61,635	14,86,195	17,98,033	20,31,969	16,43,822	10,27,865	59.93%
Average no. of contracts traded daily	Stock Futures	1,207,532	1,169,404	1,076,224	1,110,583	1,141,050	1,071,003	6.5%
	Index Futures	490,505	427,189	350,386	414,343	420,632	377,673	11.4%
	Stock Options	3,135,877	3,577,250	3,291,297	3,405,180	3,353,304	2,731,902	22.7%
	Index Options	120,526,355	140,512,557	162,057,395	228,539,494	162,819,005	71,061,535	129.1%
Number of trading days		62	63	62	62	249	248	

Source: NSE

Note: Notional turnover considered in case of options contracts.

1.6.7 Top 10 Traded Symbols in Equity Derivatives Segment are in Figure 8 & Figure 9

Figure 8

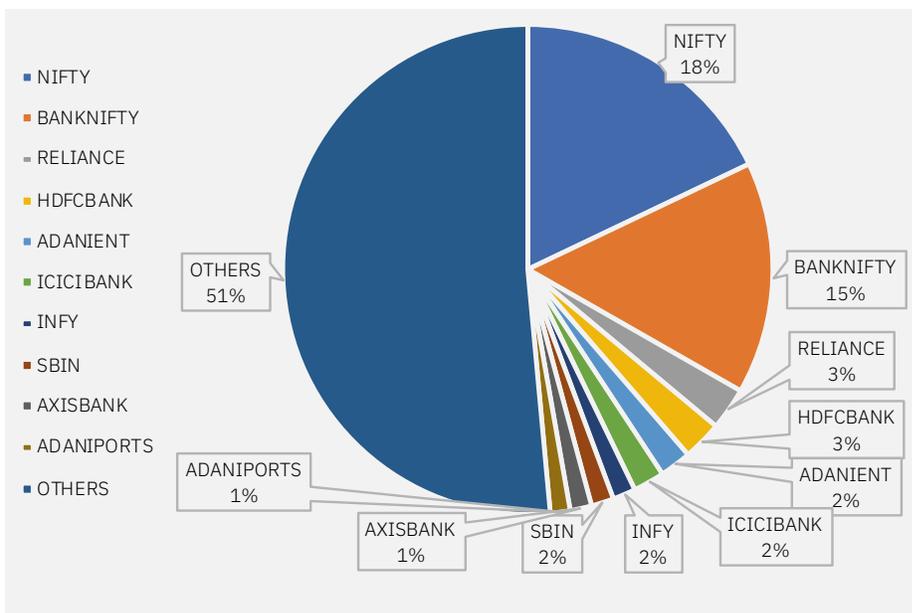
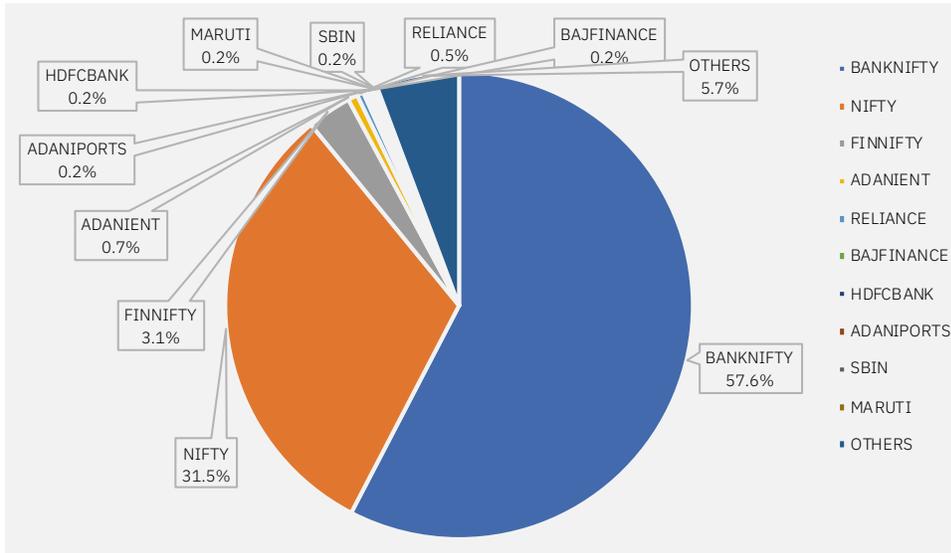


Figure 9



**1.7 Currency Derivatives Segment**

The financial year 2022-23 witnessed an increase in currency derivatives (Currency Futures and Options) turnover.

The average daily turnover in currency derivatives increased by 41.7% and stood at ₹41,483 Crs. in 2022-23 as compared to ₹29,271 Crs. in 2021-22.

The daily average number of contracts increased by 66.2% in 2022-23 and stood at 1,91,73,665 contracts as compared to 1,15,36,689 contracts traded in 2021-22.

The daily average open interest in terms of number contracts has increased by 58.6% in 2022-23 as compared to what was observed during 2021-22.

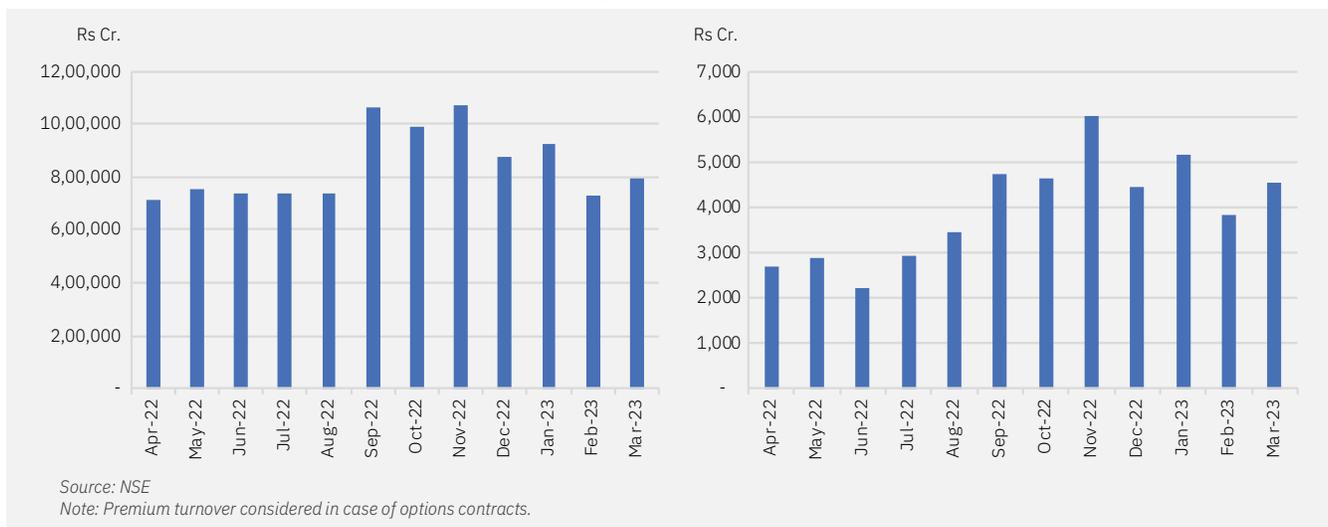
The total number of trading members enabled in currency derivative segment has declined marginally to 506 for the year 2022-23 as compared to 507 for the year 2021-22.

**Currency Futures:** Average daily turnover in Currency futures for the financial year 2022-23 increased by 41.6% and stood at ₹41,288 Crs. as compared to ₹29,161 Crs. in 2021-22. Futures trading constituted 99.5% of the total turnover in the segment based on premium traded values. USD-INR currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 68.3% in 2022-23.

**Currency Options:** Average daily turnover in currency options increased by 87.9% in 2022-23 and stood at ₹194 Crs. compared to ₹103 Crs. in 2021-22. The average market share of NSE in currency options stood at 96.7% in 2022-23.

**Interest Rate Futures:** Average daily turnover in Interest Rate Futures for the financial year 2022-23 decreased by 1.4% and stood at 107 Crs. as compared to ₹109 Crs. in 2021-22.

Figure 10: Business growth in Currency Derivatives Segment in FY2022-23



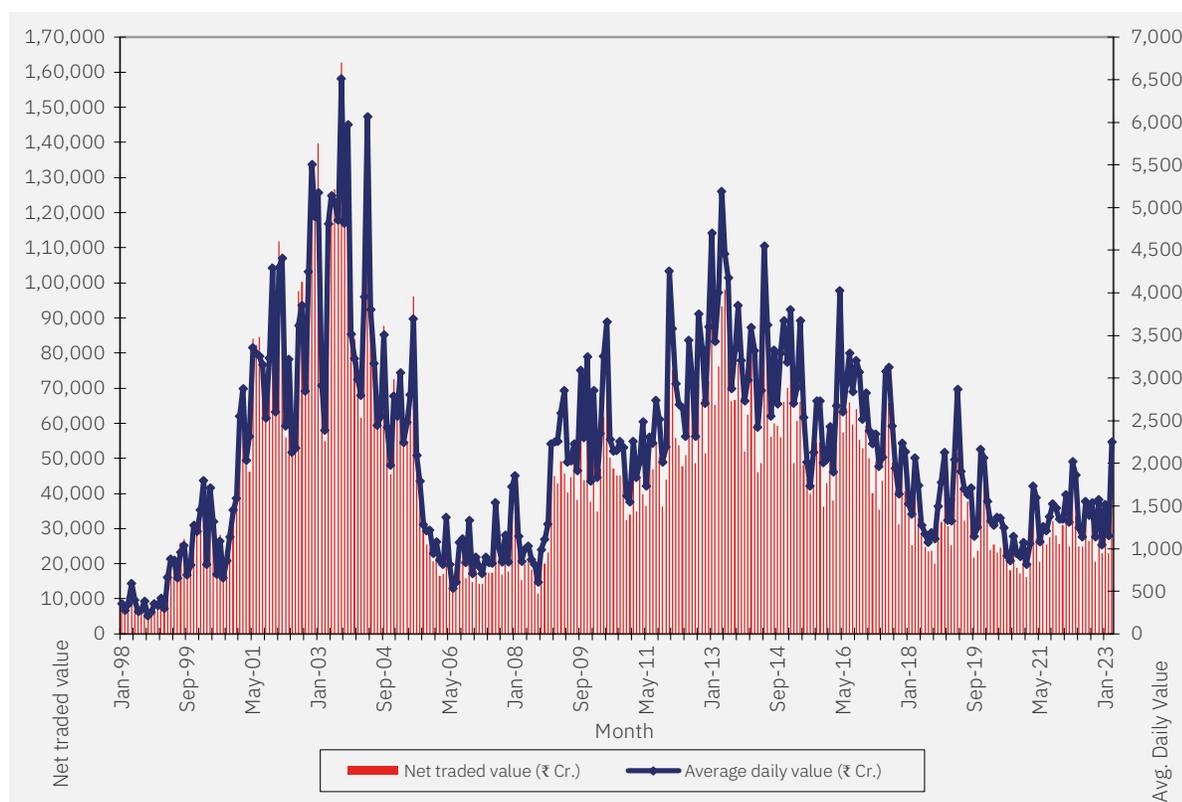
## 1.8 Debt Market Segment

The first dedicated debt platform was launched on May 13, 2013. In an endeavor to centralise trading in all debt instruments into a single platform, the same was subsequently merged under the New Debt segment July 03, 2015. Additionally, the Negotiated Trade Reporting Platform (NTRP) was set up under debt segment on July 01, 2015 for reporting of all the deals instruments by trading members.

The NTRP provides reporting facilities for a variety of debt instruments including G-sec, SDL, T-bill, CP, CD and Corporate Bonds. The segment has seen steady growth and participation from Institutions and investors alike.

The turnover on Debt segment increased to ₹3,52,716 Crs. in 2022-23 from ₹3,44,856 Crs. in 2021-22 registering an increase of 2.28%. The average daily turnover increased to ₹1,450 Crs. in 2022-23 from ₹1,430 Crs. in 2021-22.

**Figure 11: Business growth on the Debt segment of the Exchange**



The transactions in dated government securities account for a substantial share in the Debt segment with 86.07% in 2022-2023. Market capitalisation of the Debt segment has witnessed a constant increase in the number of securities available for trading on this segment. Total market capitalisation of the securities available for trading on Debt segment stood at ₹1,42,68,186.84 Crs. as on March 31, 2023.

**Table 17: Trades in Debt segment**

Particulars	2022-2023	2021-2022
Number of Trades	5715	4,961
Average monthly number of trades	430	413
Average daily number of trades	23	20
Average Trade Value (₹ Crs.)	68.22	69.51
Average Daily Turnover (₹ Crs.)	1,450.13	1,430.44
Turnover (₹ Crs.)	3,52,715.73	3,44,855.82
Number of Active Scrips	2307	1,140
Number of Active members	20	21

### 1.8.1 Securities Profile

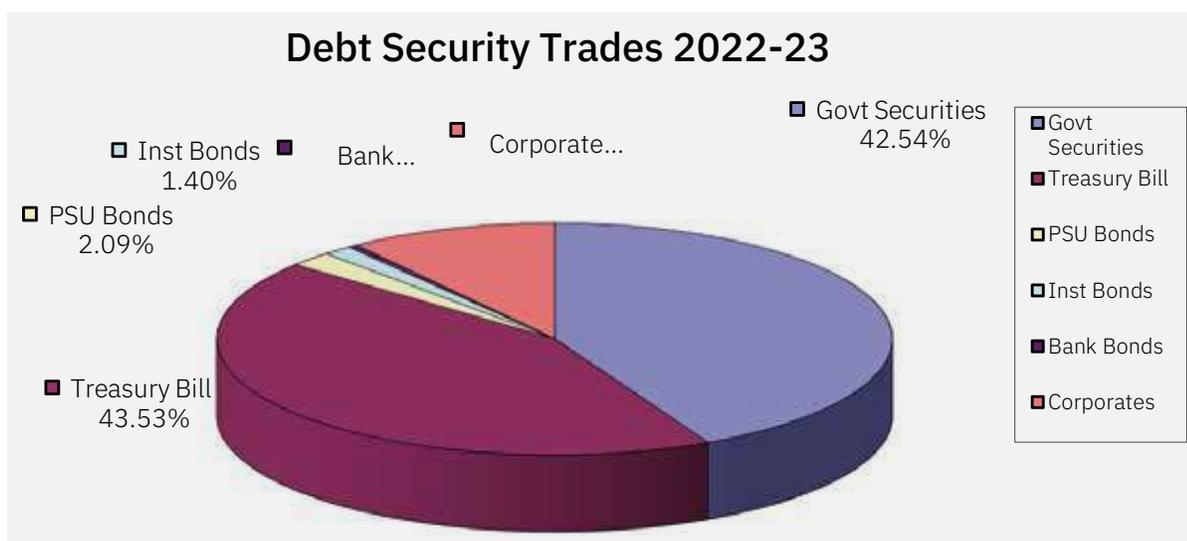
The turnover of Government securities in the Debt segment decreased by 21.57% during 2022-23 as compared to 2021-2022. Its share in total turnover decreased to 42.54 % in 2022-23 from 55.48% in 2021-22. The share of Treasury Bills increased from 32.56% in 2021-22 to 43.53 % in 2022-23. During 2022-2023 the share of Non-Government Securities in total turnover increased to 13.93 % as compared to 11.96 % in 2021-2022.

Table 18 and Figure 12 represent security-wise distribution of turnover.

**Table 18: Security-wise Distribution of Turnover**

Securities	2022-23		2021-22	
	Turnover (₹ Crs.)	% of Turnover	Turnover (₹ Crs.)	% of Turnover
Government Securities	1,50,049.45	42.54%	1,91,311.50	55.48%
T-Bills	1,53,522.97	43.53%	1,12,298.15	32.56%
PSU Bonds	7,376.91	2.09%	9,972.88	2.89%
Institutional Bonds	4,946	1.40%	3,530	1.02%
Bank Bonds	1,539	0.44%	1,261	0.37%
Corporate Bonds	35,281.41	10.00%	26,482.29	7.68%
<b>Total</b>	<b>3,52,715.74</b>	<b>100.00</b>	<b>3,44,855.82</b>	<b>100.00</b>

**Figure 12: Security wise Distribution of Turnover**



### 1.8.2 Issuances in Debt Segment

A total of 435 securities were listed during the financial year 2022-23. As at end of March 2023, 2,649 securities were available for trading on the Debt segment. Details of Issuance in Debt segment are provided in Table 8.

**Table 19: Issuance in Debt Segment**

Financial Year	No of New Securities Listed	Total No. of Securities (at year end)	Market Capitalisation (at year end ₹ Crs.)
2019-20	2,071	7,889	95,70,055
2020-21	2,908	7,999	1,20,14,424
2021-22	2,754	8,029	1,32,80,805
2022-23	435	2,649	1,42,68,187

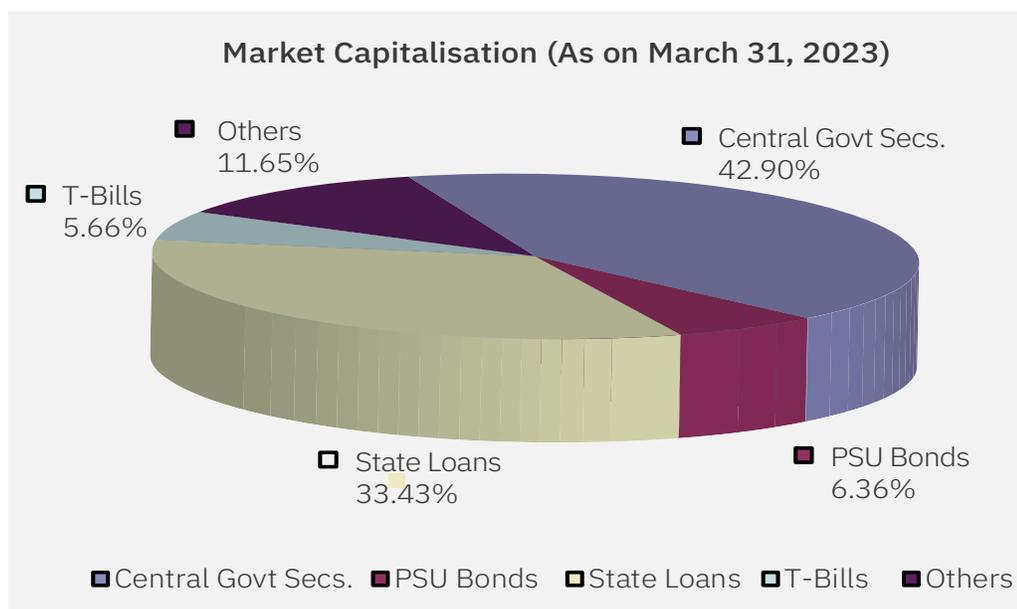
### 1.8.3 Market Capitalisation

Total Market capitalization of the securities available for trading in Debt segment increased to ₹1,42,68,187 Crs. in 2022-23 from ₹1,32,80,805 Crs. in the previous year registering an increase of 7.43%. The Central Government securities accounted for 42.90% of the market capitalization while Non-Government Securities (PSU & others) accounted for 18.01%. The composition of market capitalization of various securities on Debt segment is presented in Table 9.

**Table 20 : Market Capitalization of Debt Segment**

Securities	As on March 2023		As on March 2022	
	Market Cap. (₹ Crs.)	% of total	Market Cap. (₹ Crs.)	% of total
Central Government Secs.	61,22,263.66	42.90	57,24,112.89	43.10
PSU Bonds	9,12,702.19	6.36	85,8,820.40	6.47
State Loans	47,71,217.44	33.43	42,86,585.24	32.28
T-Bills	8,08,559.20	5.66	8,68,908.60	6.54
Others	16,53,444.34	11.65	15,42,378.09	11.61
<b>Total</b>	<b>1,42,68,186.84</b>	<b>100</b>	<b>1,32,80,805.24</b>	<b>100</b>

**Figure 13: Market Capitalisation of Debt segment**



### 1.8.4 Corporate Bond Market

Currently for reporting trades in corporate bonds, Exchanges provide two platforms namely Debt Segment and CBRICS. The average daily traded value reported through corporate bond for 2022-2023 was ₹ 3,776.42 Crs. (Debt Segment & CBRICS) as compared to ₹5,763.61 Crs. for 2021-22 with an average of around 311 trades being reported daily as compared to 283 trades for 2021-22.

Turnover of Corporate Bond is presented in Table 21 and Figure 14

**Table 21: Corporate Bond Turnover**

Corporate Bond Turnover	2022-2023	2021-2022	%Change
Total Turnover (₹ Crs.)	9,21,448.3	13,89,031.10	-33.66
Average Daily Turnover (₹ Crs.)	3,776.42	5,763.61	-34.48
Total Number of Trades	51,376	68,281	-24.76
Average Daily Trades	311	283	9.89

Figure 14: Corporate Bond Turnover for FY 2022-2023



### New Developments in Capital Market, Futures & Options, Currency Derivatives, Commodity Derivatives & Debt Segment

In year 2022-23, various new developments have been initiated by the Exchange. The Details of the same are given below:-

#### May 2022

##### Revision in Scheme of Strikes in Stock Options applicable to Futures & Options Segment

Exchange informed via circular that the strike scheme shall be calculated in order to cover at least 15 % price movement from closing price subject to a minimum of 5-1-5 and maximum of 20-1-20 strikes. (In the money-At the money-Out of the money) every day for each stock.

#### June 2022

##### Enhancement in Buyback order entry functionality applicable to Capital Market

Exchange had communicated to members that based on the feedback from market participants, a provision was made whereby members can participate in multiple Buyback offers on behalf of companies at a time.

##### Change in Gold (1 Kg) Futures contract applicable to Commodity Derivatives Segment

The Gold (1 Kg) Futures contract was modified such that the customs duty shall not be a part of the traded price of the contract.

#### July 2022

##### UCC and PAN verification at the time of order entry applicable to Capital Market, Futures & Options Segment and Currency Derivatives

Exchange mandated UCC and PAN validation for all orders (PRO and CLI) at the time of order entry with details as uploaded by members in UCI online. In case of mismatch, the order shall be rejected by the Exchange. UCC / PAN validation was effective in the trading system from July 04, 2022.

##### ENIT Mobile Application applicable to Capital Market, Futures & Options Segment and Currency Derivatives

Exchange extended facility to access ENIT application also through Google Chrome browser in mobile devices.

#### August 2022

##### Bulk / Block reporting on ENIT – Additional Feature applicable to Capital Market

Based on market feedback and to enhance user experience, Exchange informed the market participants about additional feature of multi-symbol bulk upload facility in ENIT for reporting changes in the disclosures for Bulk/ Block reporting.

##### Market Data Introduction of Additional Streams in Futures & Options Segment

Exchange introduced additional set of streams in F&O. The contracts available for trading are being redistributed across 16 streams in FO segment.

### September 2022

#### **Enhancement in Extranet facility applicable to Capital Market, Futures & Options Segments and Currency Derivatives**

Exchange introduced API specification document for members to access common and member specific data through Extranet API facility. Such API is accessible via internet as well as lease line services.

#### **Enhancement in NOTIS API applicable to Futures & Options Segment**

Exchange issued a circular informing enhancement of count of messages downloaded per request to 1,00,000 messages per request from existing maximum of 20,000 messages per request in FO segment.

Participation Foreign Portfolio Investors (FPIs) in Exchange Traded Commodity Derivatives applicable to Commodity Derivatives Segment

SEBI has permitted foreign investors to participate in Indian ETCDs through the FPI route, subject to conditions prescribed by SEBI. To begin with, FPIs will be allowed to participate in cash settled non-agricultural commodity derivative contracts and indices comprising such non-agricultural commodities.

### November 2022

#### **Dummy Contracts in Master Files applicable to Capital Market, Futures & Options Segments and Currency Derivatives**

Exchange issued circular informing inclusion of dummy contracts and symbols in contract master files for internal testing of order/trade activity done by Exchange every trading day before start of market hours as part of pre-market sanity checks.

### December 2022

#### **Revision in Nifty 50 Index Weekly expiry cycles applicable to Futures & Options Segment**

Exchange revised the number of weekly expiries from 7 to 4 (excluding the monthly expiry) in Nifty 50 Index options.

#### **Revision in Nifty Financial Services index Weekly expiry cycles applicable to Futures & Options Segment**

Exchange revised the number of weekly expiries from 7 to 4 (excluding the monthly expiry) in Nifty Financial Services index options.

#### **Revision in Nifty Midcap Index Derivatives applicable to Futures & Options Segment**

Exchange revised the number of weekly expiries from 7 to 4

(excluding the monthly expiry) in Nifty Midcap Select index derivatives.

### January 2023

#### **List of securities for T+1 settlement cycle in Equity Segment applicable to Capital Market**

Exchange informed members all remaining securities as on January 25, 2023 settlement cycle including those securities as mentioned in point no. 9 of the Exchange press release dated November 08, 2021 and all securities on which derivatives contracts are available, shall be transitioned to T+1 rolling settlement effective from January 27, 2023.

#### **Standardisation of file formats for MII-Members Interface with ISO Tags applicable to Capital Market, Futures & Options Segments, Currency Derivatives**

Exchange issued a circular as per recommendations of SEBI's Market Data Advisory Committee (MDAC) regarding "Standardization of MII-Member Interface", where it was proposed to standardise the formats along with ISO tags as headers in all segments for end of day files across applicable Exchanges. The format of these files shall be common across all applicable Exchanges, as part of the continued efforts to enhance the interface between Exchanges and Members.

The new standardised file formats along with ISO tags were published in tranches.

#### **Framework for futures contracts on Corporate Bond Indices applicable to Currency Derivatives**

SEBI has permitted permit Stock Exchanges to introduce derivative contracts on indices of corporate debt securities rated AA+ and above. To start with, the Stock Exchanges are permitted to launch futures contracts on corporate bond indices.

#### **Stockbrokers to execute client transactions on RFQ Platform applicable to Debt Segment**

SEBI has allowed exchanges to permit members of debt segment to execute transactions on behalf of clients on the RFQ Platform, accordingly the same was introduced on NSE RFQ Platform in January 2023.

#### **Encourage Retail Participation on RFQ Platform applicable to Debt Segment**

To further widen the retail participation, SEBI has allowed retail participants to buy/sell bonds on RFQ Platform through debt segment members. Additionally, to encourage retail participation, limit on minimum transaction amount has been removed which was earlier set at ₹5 lakhs and opened alternate payment mechanisms for RFQ transactions such as NEFT, net banking etc. as per the guidance from SEBI.

### **ARCL Tri Party Repo Product on NSE's TRM Platform applicable to Debt Segment**

SEBI and RBI have allowed NSE to offer trading in AMC Repo Clearing Ltd. (ARCL) Tri Party Repo Product on its Tri Party Repo Market (TRM) platform. ARCL is a limited purpose clearing corporation (LPCC) and is recognised by SEBI under SECC Regulations 2018. For this Product, ARCL will act as a Tri-Party Agent and will provide settlement services including settlement guarantee, risk management, collateral management etc.

### **Variants in Commodity derivatives segment applicable to Commodity Derivatives**

SEBI permitted stock exchanges to launch multiple contracts on the same commodity in commodity derivatives segment.

#### **February 2023**

### **Social Stock Exchange applicable to Capital Market and Debt Segment**

Exchange has received SEBI approval for Social Stock Exchange as a segment on NSE. The Social Stock Exchange segment on NSE provides Social Enterprises (Non-profit organizations (NPOs) and For-profit enterprises (FPEs)) engaged in eligible activities a unique opportunity to register itself and raise funds on a recognised exchange platform.

SEBI has permitted Social Enterprises (Non-profit organizations) to mobilise funds by issuing Zero Coupon Zero Principal Instrument (ZCZP). The Declaration of zero coupon zero principal instruments has been declared as securities under the Securities Contracts (Regulation) Act, 1956.

### **Revision in number of strikes for Bank Nifty options applicable only to Futures & Options Segment**

Exchange informed members that the number of strikes for all BANKNIFTY weekly and monthly expiries contracts shall be revised w.e.f. March 24, 2023.

### **Restore the trading time for expiring contract on expiry day for interest rate derivatives applicable only to Currency Derivatives**

Reserve Bank of India vide press release "RBI Extends Market Trading Hours" dated February 8, 2023, restored market hours in respect of Government Securities to 9:00 AM to 5:00 PM. In view of the above, NSE has restored the trading time for expiring contract on expiry day for interest rate derivatives.

### **Data licensing agreement between NSE and CME Group applicable to Commodity Derivatives**

NSE and CME Group entered into a data licensing agreement

which allows NSE to launch Rupee denominated NYMEX WTI Crude Oil and Natural Gas contracts. SEBI has permitted NSE to launch Futures on NYMEX WTI Crude Oil and Natural Gas in the Commodity derivatives segment.

#### **March 2023**

### **Open Market Buyback applicable to Capital Market**

Based on SEBI communication, Exchange issued circular that a different buyback window is provided for open market buyback, where a company appoints member/broker to place buyback orders during the buyback period on behalf of company in Equity market. This was effective from March 09, 2023.

### **Revision in NIFTY Midcap Select (MIDCPNIFTY) Expiry Futures and Options Contract Cycle applicable to Futures & Options Segment**

Exchange issued circular informing market participants about change in expiry in weekly and monthly MIDCPNIFTY option contracts from Tuesday to Wednesday.

### **Pre-Trade risk controls applicable to Capital Market, Futures & Options Segments, Currency Derivatives**

May 2022 - Exchange informed members regarding enhancement and strengthening of pre-trade risk control measures to prevent aberrant orders by implementing various controls like Flexing of Operating range, Limit Price Protection, Market price protection, Hard OPR Limits and Validation for Stop Loss Limit Order Entry.

June 2022 - Exchange informed members about the revision in pre-trade risk control measures for quantity freeze limits for indices and stocks. Quantity Freeze for Currency Future & Option Contracts is revised to 10,001 lots or greater i.e., orders having quantity up to 10,000 lots shall be allowed. This was effective from June 20, 2022.

November 2022 - Exchange introduced market price protection mechanism for handling of market orders w.e.f. December 05, 2022.

December 2022 - Exchange had issued circular regarding introduction of market price protection mechanism for handling of market orders in Capital Market w.e.f. January 09, 2023.

## **1.9 Membership at NSE**

41 new Members (30 in CM segment; 34 in FO segment; 15 in CD segment; 4 in Debt segment; 7 in Commodity segment) were registered in the year 2022-2023.

The Exchange also granted additional segment membership to 23 Members during FY 2022-23.

Following are the details of the Members/Authorised Persons:

**Table 23: Membership details for FY 2022-23**

Particulars	CM Segment	F&O Segment	CD Segment	Debt Segment	Commodity Segment	Active Members	Total Members
SEBI registered Trading members <sup>1</sup>	30	34	15	4	7	1,028 <sup>2</sup>	1,308 <sup>2</sup>
Members registered in additional segments <sup>1</sup>	3	4	11	3	6		
Surrender of membership <sup>1</sup>	27	28	20	1	2		
Authorised Person <sup>2</sup>	1,20,022	1,07,912	33,257	-	2,202		1,27,864 <sup>2</sup>
Expulsion/Declaration/Termination of defaulter <sup>1</sup>	7	7	5	1	3		

<sup>1</sup>New membership/segment additions/surrender/expulsion/default/termination/cancelled

<sup>2</sup>Data as on 31st March 2023

### 1.9.1 New developments during the year 2022-23 in Membership Compliance

#### 1. Two Factor Authentication

SEBI vide its circular SEBI / HO / MIRSD / CIR / PB / 2018 / 147 dated December 03, 2018, issued specific guidelines on implementation of two-factor authentication (2FA) on online platforms provided by the Members. Details of the guidelines are as under-

- I. Members are required to preferably use biometric authentication as one of the authentication factors, along with any one of the below-mentioned factors:
  - a) Knowledge factor e.g., Password, PIN.
  - b) Possession factor e.g., OTP, security token, authenticator apps on smartphones etc.
- II. It was additionally clarified that the Members shall use both the aforementioned factors in case biometric authentication is not possible.

#### 2. Circular for Guidelines on Compliance Officer

Exchange vide circular ref. no. NSE/COMP/54600 dated November 25, 2022, has issued guidelines on Compliance Officer specifying the eligibility criteria for appointment of Compliance Officer, certification requirements, age, experience, tenure etc.

#### 3. Registration and regulatory framework for Online Bond Platform Providers (OBPPs)

SEBI vide its circular ref. no. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2022/154 dated November 14, 2022, issued registration and regulatory framework for Online Bond Platform Providers (OBPPs).

Pursuant to the SEBI circular all the entities desirous of operating as OBPPs under regulation 51A of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('NCS Regulations') must register themselves as a stockbroker in the debt segment of the stock exchange and apply to a recognised stock exchange to act as an Online Bond Platform Provider (OBPP).

#### 4. Code of advertisement for Stockbrokers

The Exchange has issued a circular stating the revised Code of Advertisement and superseding the Exchange vide circular ref. no. NSE/COMP/33643 dated November 16, 2016, issued earlier.

#### 5. Technical Glitches

SEBI circular SEBI/HO/MIRSD/TPD-1/P/CIR/2022/160 dated November 25, 2022, on Framework to address the Technical Glitches in Stockbrokers' Electronic Trading System wherein SEBI directed the Exchange to develop an API-based Logging and Monitoring Mechanism (LAMA) system for the Specified Members to monitor the health of critical systems of the Members.

Further SEBI vide its circular ref. no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/177 dated December 30, 2022, directed the Exchanges to develop a joint platform to provide Investor Risk Reduction Access (IRRA) service to provide the investors of the Trading Member who faced the disruption of trading services provided by the Trading Member due to technical glitches.

#### 6. Strengthening Members oversight over Authorised Persons (APs).

On account of the same, Show Cause Notices (SCNs) have been issued to a total of 47 Members who are observed to be in non-compliance with the Exchange circular NSE/INSP/42448 dated October 18, 2019, and NSE/COMP/50030 dated October 21, 2021.

7. Restriction on use of certain words by Trading Member/ Authorised Person in their name

Exchange vide its circular NSE/COMP/55716 dated February 22, 2023 directed the Members that the name of Trading Members/Authorised Persons should reflect the registration held by the entity and should not in any way create an impression of performing a role for which the entity is not registered. Exchange has provided an illustrative list of names/words unless these entities have registered themselves in that capacity with SEBI/ other regulators.

## 2. REGULATORY FUNCTION

Robustness of the regulatory function remains to be a significant focus area for the company including allocation of strong human resources at different levels having multi-faceted skills, knowledge and expertise. During FY23 the company had 631 employees in the overall regulatory function supervised under the direct guidance and supervision of the Chief Regulatory Officer as well as the Board and Regulatory Oversight Committee. The company has dedicated resources to manage the various regulatory functions viz. Membership Compliance, Inspection, Enforcement, Surveillance, Investigation, Investor Services (including grievance redressal, arbitration and defaulter proceedings), Listing Compliance, Regulatory Operations and Secretarial.

Considering the size, scale and complexities of the overall activities and continuously evolving need for comprehensive and effective regulatory function, it is important to have equally robust and innovative technology infrastructure and support to fulfil the requirements. In this area, apart from technology infrastructure, the company has also deployed various AI, ML and robotics based solutions as appropriate and needed, which is supported by well trained and highly skilled technological resources.

In FY22-23, the Company has spent an amount of ₹83.45 Crs. towards human resources, ₹73.32 Crs. towards Technology and ₹113.26 Crs. towards other financial resources.

Going forward, the company continues to have forward looking roadmap to handle its regulatory role in a most efficient manner and thereby will continue to commit appropriate financial and non-financial resources towards the same.

## REGULATORY OPERATION

Operational activities were segregated and aligned across Regulatory into a separate Regulatory Operations function. This was set up with a strategic goal to integrate operational capabilities, cross-skill human capital, facilitate faster and effective delivery to Stakeholders-Investors-Regulator and fortify the exchange's risk posture.

The implementation was planned to be set-up in two phases and accordingly operational activities of four functions; namely Defaulter related services, Listing Compliance, Membership Compliance and Listing Approvals were integrated under Regulatory Operations.

## LISTING COMPLIANCE

### Development in NEAPS

XBRL submission for following disclosures

#### Disclosure under Regulation 29 of SEBI LODR:

- Prior Intimation of the Board Meeting.

#### Disclosure under Regulation 30 of SEBI LODR:

- Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor, Compliance Officer and Share transfer agent;
- Outcome of Board Meeting for Dividend, Buyback, Bonus Issue and decision on voluntary delisting by the listed entity;
- Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/ restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.
- Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
- Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

- One time settlement with a bank - Resolution plan/ Restructuring in relation to loans/borrowings from banks/ financial institutions (Inter-Creditors Agreement).
- Corporate Debt Restructuring.
- Notices of Shareholders Meeting

Further, exchange has also developed Regtech alerts on the existing XBRL filing alongwith check on certain MCA filing.

### LISTING INVESTIGATION

Listing Investigation department handles trading/compliance data of listed entities, handles complaints related to fraud, diversion and siphoning or misappropriation of funds, etc.

A system has been developed as an early alert system by taking into account financial and non-financial constituents and generating risk scores for each of the company for flagging key risk elements like window dressing, financial distress, group distress, fund diversion, damaging litigations, etc.

The team investigates internal alerts flagged off by the system as well as various complaints forwarded by the regulator.

During the past one year, Exchange has submitted 17 reports to SEBI where concerns were observed in the area of related party transactions, layering of funds, transactions with foreign subsidiaries and potentially connected entities.

### INSPECTION

As part of strengthening the regulatory framework of Exchange for ensuring supervision and oversight over the trading members, Exchange has taken number of steps, some of them are:-

With an objective of early detection of misuse of client's assets, during the year, the Exchange has generated and processed more than 12,000 alerts to monitor the members using various large scale online systems such as client margin collection by members, availability of creditors funds with the members, running account settlement of clients (including inactive clients) developed by the Exchange under offsite supervision and more than 600 inspections have been conducted.

With a view to bring more transparency in the dealings between the clients and the stockbrokers and for the purpose of investor awareness, Members as advised by Exchange have started displaying details of all their active client bank accounts on their website. Further, Exchange has also started displaying details of active client bank accounts of members on website (under "Know/ Locate your Stock Broker") as reported by members to Exchange.

Mystery shopping on the basis of news circulated in the market to identify malpractices (assured return schemes, collection of deposits, dabba trading etc.) was initiated. Upon gathering information/evidence of assured/fixed returns being offered by entities/individuals, the Exchange issued 21 press release including notices in print media to caution investors to be away from various unregulated schemes/products, unregistered entities. Further, Exchange is also filing police complaints in the matters related to dabba trading.

To simplify the submission process and ensure uniform formats across Exchanges, the formats for System Audit and Cyber Security and Cyber Resilience Audit reports submissions have been revised, under the guidance of SEBI and in consultation with other Exchanges.

As a part of enhanced monitoring of trading members to protect clients' assets, standardised various reports and introduced Application Programming Interface (API) based platform for brokers to submit information relating to investors' assets lying with brokers to reduce/mitigate risk of incorrect data pertaining to client assets submitted by members through weekly/ daily submissions.

Strengthened the process of internal audit through various measures such as prescription of additional eligibility criteria for internal auditors, sharing of samples with auditors, review of penalty structure applicable for non-compliances reported by the internal auditor to make it more effective and act as a deterrent.

### ENFORCEMENT

The disciplinary jurisdiction over the Trading Members registered with the Exchange is with the Member and Core Settlement Guarantee Fund Committee ("MCSGFC"). The observations pertaining to the violations involving disciplinary actions like the prohibition of onboarding of new clients and Authorised Persons, disablement, suspension, expulsion, and declaration of defaults are placed before Member and Core Settlement Guarantee Fund Committee ("MCSGFC"). In such cases, the Exchange issues a show cause notice and provides an opportunity of personal hearing before MCSGFC. The MCSGFC, follows the principles of natural justice, decides on a case to case basis as per the defined penalty structure.

The Enforcement Team has issued 119 showcause notices and placed more than 3500 cases before the MCSGFC during the financial year 2022-2023. The Committee has imposed a monetary penalty of around ₹25 Crs., ordered disablement/suspension of 3 members and declared 1 member as defaulter.

Delisting committee has the authority for compulsory delisting of companies. The Exchange has delisted 04 companies that were suspended for more than 6 months for non-compliance with the erstwhile Listing Agreement/ SEBI (LODR) Regulations, 2015 and who did not complete formalities for revocation within stipulated timelines in financial year 2022-23. Further, Exchange has delisted 01 company that was suspended for more than 6 months pursuant to liquidation in financial year 2022-23.

### SERVICES TO INVESTORS

During the year 2022-23, the Exchange dealt with 13,205 investor complaints against trading members and companies (excluding complaints against defaulter/expelled trading members) and facilitated 434 arbitration and appellate arbitration cases.

The Exchange has 24 Investor Service Centres covering the length and breadth of the country to facilitate investors, provide assistance to investors for complaint resolution, and offer arbitration mechanism. Presently, 138 Arbitrators and 133 GRC members are empanelled across the 24 centres. The Exchange has also setup a new Investor Service Centre at Vijayawada. The centre services query resolution, complaint resolution and Arbitration Mechanism.

In our endeavour to increase the convenience to investors and trading members for filing complaints, arbitration matters, and claims against members declared defaulter / expelled, the Exchange provides an online portal viz. NSE Investor Centre 'NICE Plus'. All investors registered on the above portal can file complaints/arbitration against active members of the exchange and claims against the defaulter / expelled member. To provide faster resolution of complaints, the same is referred to Grievance Redressal Committee (GRC). The Exchange facilitates GRC meetings through a video conference facility based on the consent received from parties or in-person, if requested by the parties.

Standard Operating Procedure (SOP) covering a detailed process for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s) is available on the exchange website.

### Dissemination of information to Investors:

1. A welcome SMS & Email is sent to all new investors whose Unique Client code details are uploaded by the trading member.
2. Daily SMS and Emails are sent to the investors who have traded for that day, with a view to keep them informed of their trade details.

3. Weekly SMS and Email are sent to the investors informing them of their funds and securities balances reported by the trading member.
4. Monthly caution SMS and Email are sent to the investors on an ongoing basis to be cautious and not fall prey to unsolicited tips and take an informed decision while investing.
5. Daily advisory message is broadcast on the trading terminal to create awareness among investors on an ongoing basis.

### Focused Investor Awareness campaigns

Focused Investor Awareness campaigns were conducted during the year covering the below themes:

1. Be cautious when trading in options for retail investors.
2. Awareness on display of TMs client bank account on their website.
3. Do your due diligence before investing in IPOs and secondary market.
4. Do not invest based on tips, rumours, or hear-say. Do your own research and make informed investment decisions.
5. Beware of claims of assured fixed returns or guaranteed returns.
6. Avoid unreasonable expectations and keep investment goals realistic.
7. Keep your contact details in KYC (email and mobile numbers) always updated for receiving trade alerts and advisory messages sent by the exchanges.
8. Precautionary measures while filling up the account opening form.
9. Take note of all charges/fees/brokerage that are applicable on your accounts and keep record of the same.
10. Keeping your passwords safe and secure.

### Investor Awareness Programs conducted:

Empowering investors through education and awareness is of paramount importance to NSE. NSE has been undertaking a number of initiatives to promote financial literacy in the country and bring about awareness in securities market in order to introduce an important asset class for their financial well-being and protect their interest.

- A. Programmatic advertisement campaign – NSE explored and successfully ran 3 programmatic advertisement campaigns which included Paid social media posting (Facebook, LinkedIn, Twitter, and Instagram),

Programmatic ads (Multiple websites) and YouTube ads to caution investors on three important topics with a total reach of 79 million+ impressions.

- Caution while trading in options
- Beware of unsolicited Stock tips
- Do not keep funds idle with broker

B. Awareness through influencers - A unique awareness initiative was executed with Aiygo Shraddha (Influencer) to educate investors to avoid common mistakes while investing in stock markets. The awareness disseminated through social media channels of NSE and the influencer. Topics - Beware of unsolicited Stock tips and Do not share your password.

C. Advertisements on television covering topics on Assured Returns (Hindi and English), Beware of unsolicited Stock tips and Do not share password.

D. Feature Videos on financial websites in the features section and also disseminated through social media.

E. Focused Investor Awareness campaigns through multiple media were done on the following:

- a) Assured returns campaign –
  - Posts in 9 Regional Languages were put on social media. Video messages of senior employees were created and also disseminated.
  - Newspaper ads in multiple newspapers and magazines in Regional Languages and in Regional Newspapers.
  - Astons were run on television (CNBC) pertaining to assured returns.
- b) Regular posting was done on social media on new concepts, cautionary messages and awareness in securities market.
- c) Awareness was created regarding Arbitration Mechanism against companies & RTA through SMS, emails, social media handles of NSE, display on home page of NSE, IVR, digital display at ROs.

F. Investor Awareness Programs conducted:

- In FY 2022-23 NSE conducted a total of 4,965 Investors awareness programs vide webinars and on-ground seminars covering approximately 2.65 lakh+ participants. IAPs were conducted for General Public, Education Institutes, FPOs & MSMEs (Commodity), etc.
- a) NSE's outreach program (IAPs) is geographically spread across 33 states and Union Territories and programs were conducted in 18 languages.

- b) NSE has done 460 IAPs with CBSE schoolteachers.
- c) Booklet on Investor awareness were distributed / emailed to participants.
- d) Pre IAP and post IAP surveys are done to understand expectations and for feedback.

G. World Investor week 2022

- a) Ring the Bell Ceremony for financial literacy at NSE BKC Mumbai and at NSE IFSC, Gift city, Gandhinagar. Information of the event has been shared with the press to widely publicise our goal of spreading financial literacy.
- b) 1,251 IAPs were conducted in the world Investor week.
- c) Exchange had extensively tapped and leveraged its social media platforms and put up posts during the world investor week. These posts had a reach of 29,40,717 and 99,077 views.
- d) A dedicated webpage for World Investor Week 2022 was created wherein all the messages, videos, photos etc. were posted.
- e) Senior management of NSE participated in various programs conducted by Members associations which saw participation of more than 1,500 people.

H. Participation in Trade fairs and bookfairs - NSE participated in 9 tradefairs and bookfairs and put up stalls where a series of activities were conducted on ground to reach out to maximum investors during this period like nukkad nataks, quiz contests, etc. We also distributed investor awareness material / flyers for the benefit of investors.

I. Other Investor Awareness activities

- a) FAQ regarding secondary market processes were updated and uploaded on NSE website (<https://www.nseindia.com/invest/investors-home>)
- b) Commodity awareness sessions were done vide social media platforms and more than 26 lakh impressions and 20,983 engagements were received.
- c) NSE has a dedicated page on its website for investors to facilitate them to understand concepts of financial markets and increase awareness in the field of securities market.

#### **Training of Arbitrators and GRC Members:**

As directed by SEBI, the Exchanges are required to conduct training for Arbitrators as well as GRC Members across

Exchanges. For the Financial Year 2022-23, the National Institute of Securities Markets (NISM) organised online programs for Arbitrators as well as GRC Members of Equity Stock Exchanges across 24 regions in consultation with the Equity Stock Exchanges.

Further, an online interactive session for arbitrators of Commodity Derivative Exchanges was also organised by NISM in consultation with the National Commodity Derivative Exchanges.

#### **KYC attributes were made mandatory (UCCs)**

The Trading Members are required to map the PAN details to the Unique Client Code assigned to their clients while trading on the Exchange platform and upload the Unique Client Code details along with PAN of their client in the Unique Client Code (UCC) database of the Exchange.

The Exchange vide Circular dated May 03, 2021 and April 01, 2021, had made the following KYC attributes viz. Name, PAN, Address, Valid Mobile Number, Valid Email ID and Income Range mandatory. The clients settling through custodians were mandated to upload custodian details vide Exchange Circular dated July 28, 2021. The Trading Members were required to upload UCC with the mandatory attributes prior to execution of trade for new clients w.e.f August 01, 2021. For the existing clients, updation of the mandatory KYC attributes had been extended till July 04, 2022. Accordingly, the 6 KYC updation went live on July 04, 2022.

#### **KYC of Sikkim based clients**

SEBI had advised MIIs to put in place a common process to verify the details of new and existing Sikkim based clients.

Accordingly, joint proposal was submitted to SEBI on the process to be followed for new and existing Sikkim based clients.

For new clients where the correspondence or permanent address of the client is 'Sikkim', trading members are required to send the identity and address proof of all the newly onboarded clients (irrespective of whether PAN has been submitted by account holder or not) to the Exchange, w.e.f July 01, 2022. In case of any deviations observed by the Exchange during the scrutiny of records, the same shall be informed to the trading member for necessary corrective actions. However, in the absence of corrective action by the trading member within 10 days from the date of intimation of the discrepancy, the trading member shall mark such account as closed with immediate effect and discrepant UCCs shall be considered as non-compliant and not permitted to trade.

For existing UCCs registered till June 30, 2022, having

correspondence or permanent address as 'Sikkim', irrespective of the status (active / inactive) marked in the UCC system of the Exchange, the trading members are required to carry out KYC re-confirmation exercise (i.e., verification of existing KYC documents available, against the details uploaded in the UCC system of the Exchange). This activity of KYC re-confirmation (verification and certification) is to be carried out by an Auditor appointed by the trading member. In case of failure to receive the auditor certification for the records or in case the discrepant records were not rectified within timelines, such records were marked as closed and not permitted to trade.

#### **Multiple UCC**

Exchange vide circulars dated October 18, 2002, and June 12, 2021, and July 23, 2021, had advised the trading members to immediately desist from the practice of allotting multiple client codes to a retail client, the use of which shall be treated as violation of the unique client code requirement.

Vide circular dated July 15, 2022, Exchange again advised the trading members to desist the practice of allotting multiple UCCs against a single PAN of a retail client, across segments and ensure that only one UCC with active status is retained on the exchange system by July 19, 2022, failing which, the Exchange shall close all such multiple UCCs created against a single client and only one UCC having latest create date or trade date (whichever is later) shall be kept active on the Exchange platform. Accordingly, the Exchange w.e.f. the trade date July 21, 2022, blocked multiple active UCCs from trading. System validations have been built for disallowing the Trading Member to create multiple UCCs under single PAN of retail client.

#### **Amendments to dispute resolution clauses by SEBI during the year**

SEBI vide circulars dated July 04, 2022, and June 03, 2022, has amended the dispute resolution clauses. The following provisions were modified:

- Exemption of fees for Investor having claim/counter claim up to ₹20 lakhs.
- Timeline for filing arbitration after the pronouncement of GRC Order.

#### **Escalation Matrix**

An effective grievance redressal procedure ensures an amicable work environment, as it redresses the grievance to mutual satisfaction and helps the management to frame policies and procedures, in line with the regulations. To further strengthen the process of handling Investors Grievances,

Trading Members were advised to publish escalation matrix under the “Contact Us” page of their website. Further, it was also advised that the Escalation matrix should also be a part of the complaint redressal communications between the Trading Members and Investors. Exchange has also formulated a penalty structure for non-compliance of the said requirement.

#### SURVEILLANCE AT NSE

The Exchange has a state-of-the-art Surveillance system. The system has the capacity to sift through billions of orders, trades and client information, to generate meaningful & actionable alerts.

During the year, Exchange has introduced various Volatility Control mechanism for pre-emptive Surveillance:

1. ITM based flexing for Index & Stock Options - Contract level flexing is not allowed for In the Money [ITM] strikes other than Close to Money (CTM which are more than certain % away from the prevailing underlying price). Thus, deep ITM contracts shall not be flexed at the contract level and will be flexed only in case of any underlying movement.
2. Limit Price Protection (LPP): Any incoming Limit order placed beyond LPP range shall automatically be rejected by the Exchange.
3. Market price protection (MPP) - Market orders shall be allowed to be traded only up to certain mark up/down price above/below Last Traded Price (LTP). This has eliminated the possibility of market orders sweeping the order book on account of fat finger errors.

During the year, Exchange has introduced new theme-based alerts to detect disproportionate trading activity vis a vis reported income, Illiquid / Out of the Money (OTM) options and implemented new Red Flag Indicators (RFI) for Financial Intelligence Unit (FIU).

A system-based framework for restricting trading by Designated Persons (DPs) during the Trading Window closure period in the respective scrip was implemented at scrip level in the Trading system.

The framework for monitoring of unsolicited SMS was widened to cover unsolicited videos circulated in the social media. During the year multiple investigation reports pertaining to Layering were submitted to SEBI.

Following is a summary of investigation reports submitted, enforcement action undertaken, disciplinary proceedings initiated, and other steps taken by the Exchange:

Sr. No.	Particulars	Count
1.	Additional Surveillance Measure (ASM)- IBC	74
2.	Additional Surveillance Measure (ASM)- long term	453
3.	Additional Surveillance Measure (ASM)- short term	581
4.	High encumbrance (Promoter Pledge)	58
5.	Graded Surveillance Measure (GSM)	28
6.	Submission of investigation reports to SEBI covering various types of manipulation, which include insider trading, front running and price volume manipulation	171
7.	Enforcement action on trading members (on the charges of unfair trade practice related to price/volume market abuse) by penalizing them and restricting them to register new clients for a period of time	Nil
8.	Disciplinary action proceedings initiated	34 trading members
9.	Issuance of Advisory/ Observation/ Caution Letters	596
10.	Intimation made to trading members pursuant to analysis - Calls / Member Surveillance Dashboard	1,669

### 3. RESEARCH AND THOUGHT LEADERSHIP INITIATIVES IN FY 2022-23

NSE has remained at the forefront of supporting and promoting research in the diverse fields of finance including empirical finance, securities market, market microstructure and corporate governance, and act as a bridge between the research and investor community. The in-house research initiatives were supplemented by continued collaboration with renowned global and domestic academic institutions, think tanks and global multi-lateral agencies in their research efforts. The focus last year has been to expand engagements with institutions across the land and increase awareness about the capital markets data available at NSE for research purposes. Further, NSE’s research efforts in the form of regular publications, coupled with enhanced engagements with the regulator and academia, has helped drive policy advocacy at a broader level.

Some of the initiatives conducted in the year 2022-23 are as follows:

### 3.1 Webinars and Conferences

The Economic Policy and Research (EPR) department organised several events in the year 2022-23 including webinars, conferences and round-table discussions on financial markets, corporate governance, and macroeconomic issues.

#### 3.1.1. NSE-New York University Stern School Conference:

NSE's joint initiative with New York University's (NYU) Stern School of Business for the study of Indian financial markets saw its tenth annual conference in March 2023. After online editions over the previous two years owing to COVID-19 restrictions, the conference last year was conducted in a hybrid mode. This not only allowed participation from across the world including panellists/speakers as well as attendees, but also provided an opportunity for in-person engagements and discussions.

The conference entailed a) presentation and deliberations on six research papers, and b) a keynote address by Dr Viral Acharya, Former Deputy Governor of RBI and C.V. Starr Professor of Economics, NYU Stern School of Business, followed by a conversation between Prof. Acharya and Dr Duvvuri Subbarao, Former Governor of RBI. The papers comprised research in wide range of topics covering trading activity around unscheduled announcements, regulation and innovation, credit and entrepreneurial activity and open banking channel like the fintech loans in India. White papers and presentations of the academic/policy papers discussed during the NSE-NYU conference over the years are available on the NSE portal.

In addition, the conference also had under-graduate and post-graduate students from colleges within Mumbai participating and getting introduced to fresh ideas for research in finance and economics. Parallel sessions were organised for them for enhanced engagement, focusing on career prospects in finance and economics, NSE's history, an overview of the Indian economy and way forward and high-frequency trading.

**3.1.2 NSE-IMF Webinar:** NSE collaborated with the International Monetary Fund (IMF) for the sixth year in a row to organise an exclusive webinar in November 2022 on regional economic outlook and implications for India. The webinar saw senior dignitaries of the

Fund providing their views on global growth outlook, risks, and policy recommendations, with special focus on challenges and opportunities faced by India. The event included a presentation by Dr. Krishna Srinivasan, Director-Asia Pacific Department on the Global and Regional World Economic Outlook reports released in October 2022. The presentation was then discussed with implications and prospects for India by a high-powered panel comprising of Dr Rupa Rege Nitsure, Chief Economist, L&T Financial Services, Dr Shubhada Rao, Founder, QuantEco Research, Shri D. K. Joshi, Chief Economist, CRISIL, and moderated by Dr Tirthankar Patnaik, Chief Economist, NSE.

**3.1.3 NSE-PIF financial sector seminar series:** In 2022-23, NSE collaborated with Pahle India Foundation (PIF)—a not-for-profit policy think tank, established in June 2013 by Dr Rajiv Kumar, former Vice Chairman of Niti Aayog of India—to conduct a series of seminars on policy issues in the financial sector with an objective of furthering the goal of establishing a robust, reformed, and reinvigorated financial sector. The aim is to bring together various stakeholders, market participants and policy makers on a single platform to engage in discussions and put forth views/ideas/suggestions in the overall interest of the markets. At the conclusion of each seminar, a policy note is prepared based on discussions and recommendations emerging from the seminars. These are then featured in the NSE's flagship publication called NSE Market Pulse. In 2022-23, seven such seminars were conducted on the broader themes of Green Finance and Corporate Governance.

**3.1.4 Other events/engagements:** Under the aegis of NSE-ISB Trading Lab, a webinar was conducted wherein Prof. Prachi Deuskar, Assistant Professor of Finance, ISB discussed interesting takeaways from her research paper titled "How does regret affect investor behaviour". Additionally, NSE also sponsored the best paper and discussant awards, entailing cash prize of USD 5,000 and USD 2,000 respectively, at the annual flagship Summer Research Conference in Finance of the ISB's Centre for Analytical Finance (CAF), held on July 27-29, 2022.

In March 2023, NSE, in partnership with ISB, also organised a closed-door roundtable industry-academia interaction on Board Performance for Independent Directors of companies.

### 3.2 Research Collaborations

NSE has been collaborating with renowned global and domestic research institutions over the years to support research in the area of empirical finance, macroeconomics and corporate governance.

Among educational institutions, NSE continued its association with the Indian School of Business (ISB) via the NSE-ISB Trading Laboratory. Besides providing a real-life trading experience to students, the Lab undertakes research and initiates policy-related discussions via webinars and conferences on topics relevant to financial markets. As part of this collaboration, NSE sponsors the best paper and best discussant awards at the ISB Summer conference to encourage research in financial markets.

The NSE Lecture on Financial Economics organised in collaboration with the Indian Economic Association (IEA) was delivered by Prof. Joshy Jacob, Associate Professor of Finance, IIMA at the 105<sup>th</sup> IEA Annual Conference 2022. NSE also sponsors the Best PhD Thesis in Financial Economics award, which is presented at the IEA Annual Conference every year. The Brahmananda Memorial lecture on Indian Economy “India at 75: Reviving the theme for sustainable development” at the Conference was delivered by Dr Tirthankar Patnaik, Chief Economist, NSE.

The NSE Centre for Behavioural Science in Finance, Economics and Marketing—a collaboration with the Indian Institute of Ahmedabad (IIMA) was entered into in 2019-20 to support cutting edge applied research on behavioural science in India. The collaboration entails undertaking multi-disciplinary, thematic, and applied research in several key areas related to the behavioural applications of finance, economics and marketing as well as conducting thought-provoking discussions via conferences or symposiums. As part of this collaboration, a behavioural lab was set up to facilitate collection and research on primary data. Besides ISB and IIMA, NSE also has a collaboration with the Indian Council for Research in International Economic Relations (ICRIER) on developing agricultural markets in India.

As part of its collaboration with the Insolvency and Bankruptcy Board of India (IBBI) to enhance the existing research efforts in areas related to insolvency and bankruptcy in India, study interlinkages between insolvency laws and financial markets and foster policy advocacy, NSE has been participating in regular deliberations. During the year, NSE also supported the first International Research Conference on Insolvency

and Bankruptcy organised jointly by IIMA and IBBI during April 30, 2022 to May 1, 2022.

### 3.3 NSE Data Room

The NSE Data Room (NDR)—a cloud-based research facility launched in April 2021—allows researchers from academia and beyond to access and analyse historical orders and trades data, in compliance with the NSE Data Sharing and Usage Policy. This, in turn, has acted as an important enabler for researchers across the globe to work on NSE’s high-frequency data, thereby opening a wide spectrum of research opportunities. In addition, this facility also provides the possibility of utilising NSE data for teaching purposes. The facility has garnered good interest from researchers, with six research projects getting onboarded since its inception and several are in the pipeline.

### 3.4 Publications of NSE

Besides supporting external research, NSE, through its Economic Policy & Research (EPR) department, has continued its efforts to strengthen and expand its in-house research efforts. NSE’s flagship publication, the NSE Market Pulse, a monthly review of the financial markets and economy, includes analysis on all major macro and market developments and events, thematic pieces on the economy or markets, insights from relevant academic research in financial markets, external contribution in the form of articles, market performance across asset classes, important statistics from the primary and secondary markets and domestic and global policy developments. The report was further enriched during the year to include enhanced coverage across asset classes and market fundamentals and insights from NSE’s high-frequency data, and is distributed to all stakeholders including companies, trading members, regulators, Government officials, academicians, think tanks, economists, among others.

In addition, the Department also brings out quarterly publications on ownership patterns and trends in companies listed on NSE and corporate performance of Nifty 50 and Nifty 500 companies. Regular updates on important macro and market events are also published and widely distributed and are available on the NSE portal. The Department has also been actively participating in multiple professional surveys conducted by the RBI (RBI Survey of Professional Forecasters), Japan Centre of Economic Research (JCER) and Federation of Indian Chambers of Commerce & Industry (FICCI).

#### 4.1 Financial Results

The working of NSE during the year has resulted in a net profit after tax of ₹7,232.90 Crs. on a standalone basis and ₹7,355.99 Crs. on a consolidated basis, as per particulars given below:

**Table: 24**

(₹ in Crs.)

Particulars	NSE (Standalone)		NSE (Consolidated)	
	2022-23	2021-22	2022-23	2021-22
<b>Continuing Operations</b>				
Income	12,692.19	8,384.60	12,765.36	8,873.79
Expenditure	3,036.31	2,280.78	2,608.83	2,018.31
Profit before exceptional items, share of net profits of investments accounted for using equity method, contribution to Core Settlement Guarantee Fund and tax	9,655.88	6,103.82	10,156.53	6,855.48
Add: Share of net profit of associates and joint ventures accounted by using equity method	-	-	88.50	90.28
Profit before exceptional items, contribution to Core Settlement Guarantee Fund and tax	9,655.88	6,103.82	10,245.03	6,945.76
Exceptional items				
Add: Profit on sale of investment in associate	-	-	-	1.62
Add: Reversal of Provision for Impairment of Intangible assets under development	-	-	-	68.23
Add: Settlement Compensation towards cancellation of contracts	-	-	-	15.63
Profit after exceptional items before contribution to Core Settlement Guarantee Fund and tax	9,655.88	6,103.82	10,245.03	7,031.24
Less : Contribution to Core settlement guarantee fund (Core SGF)	(203.45)	-	(203.45)	-
Profit before tax	9,452.43	6,103.82	10,041.58	7,031.24
Less: Tax expenses (including deferred tax)	(2,219.53)	(1,482.71)	(2,539.70)	(1,698.34)
Profit after tax (A)	7,232.90	4,621.11	7,501.88	5,332.90
<b>Discontinued Operations</b>				
(Loss) from discontinued operations before tax	-	-	(127.97)	(118.95)
Tax expense of discontinued operations	-	-	(17.92)	(15.66)
(Loss) from discontinued operations (B)	-	-	(145.89)	(134.61)
Profit for the year (A+B)	7,232.90	4,621.11	7,355.99	5,198.29
Surplus brought forward from previous year	11,498.30	8,119.67	15,368.78	11,586.45
Less: Other comprehensive income	(25.29)	(17.35)	(18.05)	(14.52)
Less: Dividend paid	(2,079.00)	(1,225.13)	(2,079.00)	(1,225.13)
Add / (Less): Non-Controlling Interest on acquisition of subsidiary	-	-	(2.54)	4.54
Add/(Less): Redemption liability	-	-	4.79	(181.29)
Add : Change in share based payment	-	-	1.38	0.44
Less: Contribution to Core SGF (net of tax)	-	-	(200.47)	-
Balance carried to Balance Sheet	16,626.91	11,498.30	20,430.88	15,368.78
Earnings per share (EPS) Basic and Diluted (Continuing operations)	146.12	93.36	151.55	107.74
Earnings per share (EPS) Basic and Diluted (Discontinued operations)	-	-	(2.97)	(2.79)
Earnings per share (EPS) Basic and Diluted (Continuing & Discontinuing operations)	146.12	93.36	148.58	104.95

#### 4.2.1 Result of Operations and the State of Company's Affairs

On a standalone basis, the total income of the Company increased to ₹12,692.19 Crs. from ₹8,384.60 Crs. in the previous year and the profit after tax stood at ₹7,232.90 Crs. as against ₹4,621.11 Crs. in the previous year.

On a consolidated basis, the total income of the Company increased to ₹12,765.36 Crs. from ₹8,873.79 Crs. in the previous year and the profit after tax stood at ₹7,355.99 Crs. as against ₹5,198.29 Crs. of the previous year.

#### 4.2.2 Colocation and other matters

Securities and Exchange Board of India ('SEBI') had directed the Company to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. NSE had from time to time complied with the stipulations prescribed by SEBI including submitting to SEBI the reports prepared by independent external agencies relating to the Colocation matter.

SEBI, vide its letter dated April 30, 2019 had returned the Consent Application filed by NSE and had passed orders in respect of the three show cause notices pertaining to NSE Colocation facility, dark fiber and governance and conflict of interest matter. Under the first order, it had passed a direction on NSE inter alia to disgorge an amount of ₹624.89 Crs., along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment, which has since been remitted by NSE to an interest bearing account as per the interim order of the Securities Appellate Tribunal (SAT), and certain non-monetary and restrictive directions prohibiting NSE from raising funds from the market, through the issuance of equity, debt or other securities for a period of six months from the date of the order. In the second order, it had passed a direction to deposit a sum of ₹62.58 Crs. along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment, which has since been remitted by NSE to an interest bearing account as per the interim order of SAT along with other non-monetary and restrictive directions and in the third order it had passed certain non-monetary and remedial directions on NSE. NSE preferred an appeal in all the said three orders before the SAT. In the Colocation facility appeal SAT inter alia vide its order dated January 23, 2023 has partially allowed the appeal filed by NSE and set aside the SEBI directive for disgorgement while at the same time imposed a penalty of ₹100 Crs. on NSE and directed SEBI to refund the amount deposited by NSE with SEBI after adjusting the said penalty amount. SEBI preferred an appeal against the SAT order and Hon'ble Supreme Court vide its interim order has directed SEBI to refund an amount

of ₹300 Crs. to NSE which shall be subject to the result of the appeal. The appeal in the dark fibre matter has been reserved for order and the hearing in the appeal in the governance and conflict of interest matter is yet to commence.

SEBI had earlier directed that, pending completion of the investigation to the satisfaction of SEBI, all revenues emanating from the colocation facility including the transaction charges on the trades executed through the colocation facility be placed in a separate bank account. Accordingly, such transfers were made from time to time. As of March 31, 2021, an amount of ₹6084.02 Crs. was transferred to a separate bank account. 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 amount and close the separate account. However, in order to balance the equities Hon'ble SAT directed NSE to transfer an amount of ₹420 Crs. into an interest-bearing account with SEBI which has been remitted by the Company on June 17, 2021. However as mentioned above SAT inter alia vide its order dated January 23, 2023 has partially allowed the appeal filed by NSE and set aside the SEBI directive for disgorgement.

Additionally, NSE also received adjudication notices covering the above three orders. SEBI in the colocation adjudication matter has passed direction levying a penalty of ₹1 Crs., the said order has been challenged by NSE before SAT and the Hon'ble SAT has stayed the said direction. The second and third matters SEBI vide its order has levied a penalty of ₹7 Crs. and 1 Cr. on NSE. NSE preferred an appeal against the said order and SAT vide its interim order has stayed the SEBI directive.

#### Additionally, NSE also received the following Show Cause Notices:

1. SEBI had issued Adjudication Show Cause Notice dated July 31, 2020 with respect to an investment made by NSE and its subsidiary in certain entities. SEBI vide its order dated October 01, 2020 has levied a penalty of ₹6 Crs. on NSE. NSE has preferred an appeal against the SEBI order and the Hon'ble SAT vide its order dated January 04, 2022 set aside the order passed by SEBI. SEBI has preferred an appeal against the said order before Supreme Court and the same is pending for hearing.
2. SEBI also issued an Adjudication Show Cause Notice dated January 07, 2021 to NSE with respect to the default of Karvy Stock Broking Limited, an erstwhile trading member registered with NSE. NSE had filed its response with SEBI and had also filed a settlement application which has been rejected by SEBI vide its communication dated April 06, 2022. SEBI has passed

order dated April 12, 2022 levying a penalty of ₹2 Crs. on NSE. NSE preferred an appeal against the said order and SAT vide its interim order has stayed the SEBI directive.

3. SEBI issued Show Cause Notice dated August 11, 2021 to NSE and to some of its employees in relation to the technical glitch that took place on February 24, 2021. NSE has filed settlement application dated August 31, 2021 and subsequently made additional submission before SEBI. NSE has filed detailed reply dated November 29, 2021 in the matter, arguments concluded and matter has now been reserved for order.
4. SEBI has issued Show Cause Notice dated February 28, 2023 to NSE and to some of its present and past employees in relation to Trading Access Point (TAP) matter. NSE in the matter has sought inspection of documents from SEBI and is also contemplating on filing settlement application.

### 4.3 Share Capital

During the year under review, the Issued, Subscribed and Paid-up equity share capital of NSE was ₹49.50 Crs. divided into 49.50 Crs. equity shares of the face value of ₹1 each. During the year, the Company has not issued any shares or convertible securities.

#### 4.4.1 Dividend

The dividend policy as adopted by NSE inter-alia states that the declaration and payment of dividend will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws, particularly the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SECC Regulations. The dividend payable depends on several internal as well as external factors, including inter-alia capital requirements, earnings, contractual restrictions, applicable legal restrictions, volatility in the capital markets, the overall financial and liquidity position of the Company, uncertainty in the economic conditions and changes in the applicable tax laws.

The dividend policy is available on the website of NSE. (weblink: [https://archives.nseindia.com/global/content/about\\_us/Dividend\\_policy.pdf](https://archives.nseindia.com/global/content/about_us/Dividend_policy.pdf))

The Board of Directors at their meeting held on May 15, 2023 recommended the payment of final dividend at ₹80/- per equity share (on the face value of ₹1/- each) for the year 2022-23. The final dividend outflow shall amount to ₹3,960 Crs.. The payment of final dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting. The final dividend so declared

shall be paid to those members whose names appear in the Register of Members of NSE as on August 16, 2023, being the date fixed for eligibility for the purpose of the final dividend.

#### 4.4.2 Unpaid/Unclaimed Dividend

As on March 31, 2023, an amount of ₹0.65 Cr. is lying in the unpaid/ unclaimed dividend accounts of the Company.

#### 4.5 Transfer to Reserves

The Company has transferred ₹6583 Crs. to Risk Reserve and the balance amount of profits post other appropriation is retained in the profit and loss account.

#### 4.6 Particulars of Loans, Guarantees or Investments under section 186 of the Companies Act, 2013

No loan or guarantee was given to any person during the year. The investments made during the year are in accordance with the provisions of the Companies Act, 2013. The particulars of Investments made during FY are set out in the Notes to Accounts which form part of this Annual Report.

#### 4.7 Particulars of Contracts or Arrangements with Related Parties

All contracts/arrangements/transactions entered into during FY with related parties were at an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations. There are no materially significant Related Party Transactions entered into with the Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of NSE at large.

All Related Party Transactions are placed before the Audit Committee for its approval. The transactions with related parties are also reviewed by the Board on a quarterly basis.

NSE has adopted a Policy on Related Party transactions as approved by the Board, which is uploaded on the Company's website.

(weblink: [https://archives.nseindia.com/global/content/about\\_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf](https://archives.nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf))

The particulars of contracts or arrangements with related parties are given in Form AOC-2 and are attached herewith as Annexure-1 to this Report.

#### 4.8 Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements

Currently, there is a high degree of automation in most of the key areas of operations and processes of your Company. Such processes are well documented with comprehensive and well defined Standard Operating Procedures (SOPs) which inter-alia include financial controls in the form of maker-

checker, strict adherence to a financial delegation made by the Board at various levels, systemic controls, information security controls as well as role-based access controls, etc. Such controls are periodically reviewed for change management in the eventualities of the introduction of new processes / change in processes, change in systems, change in personnel handling the activities, etc. Such controls are independently reviewed by the internal auditors / operational reviewers of your Company. Internal Auditors, Operational reviewer and Independent Practising Company Secretary also review the compliances by your Company of applicable laws on a quarterly basis.

The observations, if any, of the internal auditors, Operational reviewers and the compliance report issued by an independent practicing company secretary are also presented to the Audit Committee every quarter.

The Statutory Auditors have reviewed the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and have issued their audit report thereon.

#### 4.9 Subsidiaries & Associates

NSE has 16 (direct and indirect) subsidiaries (14 in India and 2 abroad) as on March 31, 2023. In line with the recommendation of Mahalingam Committee, NSE has started the process of divesting its stake in a few group businesses which are non-core to the exchange business.

The Indian Capital market will have significant opportunities for growth and development where NSE has an important role to play in this journey. This would require significant focus, relentless efforts, resource commitment and innovation. Hence, it was decided by the Board that management needs to have an uninterrupted focus on the core businesses. The non-core businesses, therefore shall need to be exited. Currently, these non-core business areas contribute around 6% to the total NSE Group revenues and around 1% to its profits. NSE has adopted a policy for determining Material Subsidiaries which is available on the website. (weblink: [https://archives.nseindia.com/global/content/about\\_us/PolicyonDeterminingMaterialsubsidiaries.pdf](https://archives.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf))

##### 4.9.1 NSE Clearing Limited (NCL)

###### NSE Clearing Limited (NCL)

NSE Clearing is responsible for clearing and settlement, collateral management and risk management of trades executed on stock exchange platforms. NSE Clearing was

the first clearing corporation to be established in India and introduced settlement guarantee before it became a regulatory requirement. NSE Clearing has maintained a credit rating of “AAA” from CRISIL since 2008.

During the financial year, NCL earned a profit before tax of ₹731.37 Crs as compared to ₹595.34 Crs in financial year 2021-22 and net profit after tax of ₹545.26 Crs as compared to Rs. 460.55 Crs in financial year 2021-22. The Board of NCL has recommended a dividend of Rs. 5 per equity share of ₹10 each for the year 2022-23. The payment of dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NCL.

###### New initiatives & Development:

Full segregation of client collateral has been implemented from May 02, 2022. The mechanism helps the clearing corporations to ensure that the assets belonging to a client are utilised towards the trade exposure of the respective client only.

NSE Clearing began accepting bank guarantees in electronic form, starting with a few empanelled banks, with effect from February 22, 2023. The electronic acceptance improves operational efficiency and eliminates issues related to paper-based documents.

NSE Clearing has introduced T+1 Settlement cycle in Capital Market Segment from February 2023. Indian markets have been among the few to have adopted T+1 settlement cycle in equities market.

Net Settlement of obligations arising out of Capital Market segment and Futures & Options (F&O) segment upon expiry of stock derivatives has been implemented from March 2023 Expiry. Such netting is likely to provide better alignment of cash and derivatives segment, mitigate price risk, and bring in netting efficiencies for market participants.

**CM Segment:** NCL successfully continued its track record of completing all settlements in a timely manner. During the period under review, 249 rolling settlements were handled in de-materialised mode. The average value of securities handled per settlement was ₹14,128.14 Crs. in 2022-23. The average funds pay-in per settlement was ₹3,750.56 Crs. in 2022-23. The average number of shares processed per settlement was about 6,320 lakhs in 2022-23. Short deliveries per settlement averaged around 0.13% in 2022-23. The Core Settlement Guarantee Fund stood at ₹651.38 Crs. as on March 31, 2023.

**F&O Segment:** The total value of settlement was ₹3,46,153.80 Crs. in 2022-23. The highest monthly

settlement was ₹42,566.13 Crs. in the month of May 2022. March 2023 witnessed the highest monthly trading volumes of ₹ 49,49,41,265.52 Crs.. The Core Settlement Guarantee Fund for F & O Segment stood at ₹3,664.40 Crs. as on March 31, 2023

NSE Clearing has implemented physical settlement in equity derivatives segment. The total value of securities settlement & funds settlement was ₹ 83,927.08 Crs. & ₹ 55,839.71 Crs. respectively for fiscal year 2022-23

**Currency Derivatives segment:** The total value of settlement was ₹18,235.99 Crs. in 2022-23. The highest monthly settlement value was ₹2,290.84 Crs. in the month of November 2022. The highest trading value in Currency Futures on NSE Clearing during this period was ₹ 1,23,145.96 Crs. witnessed on October 21, 2022, with total of 1,48,43,264 contracts being traded and in Currency Options it was ₹2,62,907.37 Crs., witnessed on September 22, 2022, with total of 3,26,32,085 contracts being traded.

The total value of settlement in Interest Rate derivatives was ₹816.54 Crs. in 2022-23. The highest trading volume in Interest Rate derivatives during this period was ₹1,383.67 Crs. witnessed on September 29, 2022, with total of 73964 contracts being traded.

The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at ₹319.67 Crs. as at March 31, 2023.

**Securities Lending and Borrowing segment:** NSE Clearing is an Approved Intermediary (AI) for SLBS with SEBI. In 2022-23, the volumes in SLBS increased by 6.14% from ₹27,617.77 Crs. in 2021-22 to ₹29,314.43 Crs. As compared to previous year, during 2022-23, securities traded in SLBS increased from 484 to 552. As on March 31, 2023, there are 388 participants, 7 custodian-cum-participants and 5 custodians registered in SLBS.

**Mutual Fund Service System (MFSS):** As on March 31, 2023, 46 mutual fund houses with 29006 schemes were enabled under the revised MFSS scheme. The average daily value of funds settled for subscription of mutual fund units for financial year 2022-23 was ₹20 Crs. The average daily value of funds settled for redemption of mutual fund units for financial year 2022-23 was ₹66 Crs.

**Corporate Debt Instruments:** NSE Clearing Limited (NCL) provides DVP-1 based settlement for OTC trades in Corporate Bonds, Repo in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD). The average daily settlement value at NSE Clearing for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2022-23 stands at ₹4,596.63

Crs., ₹1,860.19 Crs. and ₹2,166.38 Crs. respectively. The highest settlement value, during this period, of ₹22,355.48 Crs. (across all corporate debt instruments) was recorded on March 28, 2023. During the financial year 2022-23, NSE Clearing settled 1211 repo trades on corporate bonds valued at ₹1,15,929.96 Crs.

#### 4.9.2 NSE Investments (NSEI)

NSEI, wholly owned subsidiary of your Company has its main objective to make or hold strategic investments in equity shares and/or other securities of various group Companies.

As on March 31, 2023, the paid-up share capital of NSEI stood at ₹8,25,99,34,060/- comprising of 82,59,93,406 equity shares of ₹10/- each.

During the year under review, 390,471,703 6% Nine years Non-Cumulative Compulsorily Convertible Preference Shares (NCCPS) were due for conversion in various tranches to Equity Shares in ratio of 1.1 on the respective date(s) of conversion as per terms of issue. Accordingly, the allotment of Equity shares was made to National Stock Exchange of India Limited. The Converted Equity shares rank pari passu with the existing Equity shares.

During the year under review, NSEI infused the following amounts in its wholly owned subsidiaries:

- ₹32 Crs. in its wholly owned subsidiary- NSE Academy Limited, in the form of 7% Optionally Convertible Cumulative Redeemable Preference Shares (OCRPS) of ₹10 each for funding the business initiatives of NSE Academy and its subsidiary, TalentSprint Private Limited.
- ₹60 Crs. in NSEIT Limited, its wholly owned subsidiary, in the form of 7% Optionally Convertible Cumulative Preference shares (OCCPS) of ₹10 each towards the funding of its inorganic initiatives.

Further, during the year under review, NSE Investments initiated divestment of its entire stake in Market Simplified Limited and entered into Share Purchase Agreement. The transaction is yet to be completed. Post the closure of the transaction, NSE Investments shall cease to be a shareholder in Market Simplified Limited.

During the year under review, one of the Associates of NSE Investments, Protean eGov Technologies Limited (erstwhile NSDL e-Governance Infrastructure Limited) which had filed its DRHP with SEBI in 2021, for Listing through Offer for Sale (OFS), got approval from SEBI in November 2022. NSE Investments has indicated its interest to participate in the OFS by offering 7.8% shareholding in the Company.

For the Financial Year 2022-23, NSEI earned revenues of

₹293.91 Crs. as compared to revenues of ₹233.64 Crs. for the previous year. NSEI earned a profit of ₹279.66 Crs. as compared to ₹223.28 Crs. for the previous year.

During the year FY 2022-23, the Board of NSEI has recommended Final dividend of ₹2.64 per equity share and ₹0.60 per preference share (for the period of holding basis the conversion rate). The payment of the final dividend on equity shares is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEI.

#### 4.9.3 NSE Indices Limited

NSE Indices Limited (NSE Indices), a step-down 100% subsidiary of NSE, provides an index (under the brand “Nifty”) and index related services to various stock exchanges, asset management companies, insurance companies, investment banks and other financial institutions across the globe. Apart from being used for the launch of index linked funds/ Exchange Traded Funds (ETFs) and trading of index based derivative contracts, the Nifty indices are also being used by the asset management companies for benchmarking the performance of their active fund schemes.

The paid-up share capital of NSE Indices as on March 31, 2023, was ₹1.30 Crs. comprising 13 lakhs equity shares of ₹10 each. NSE Indices Limited continued to be the primary provider of indices and related products and services to various participants in the Indian Capital Market. The NIFTY 50 Futures traded on NSE recorded a turnover of ₹51,24,001 Crs. in the financial year 2022-23 as compared to a turnover of ₹43,99,251 Crs. in the financial year 2021-22, thus registering a growth of 16.5% YoY. Premium Turnover of NIFTY 50 Options traded on NSE increased to ₹37,39,196 Crs. in the financial year 2022-23 from ₹20,69,584 Crs. in the financial year 2021-22, registering a growth of 80.7% YoY. The NIFTY Bank Futures traded on NSE recorded a turnover of ₹43,86,674 Crs. in the financial year 2022-23 as compared to a turnover of ₹40,26,034 Crs. in the financial year 2021-22, thus registering an increase of 9% YoY. Premium Turnover of NIFTY Bank Options traded on NSE increased to ₹68,51,516 Crs. in the financial year 2022-23 from ₹37,72,285 Crs. in the financial year 2021-22, registering an increase of 81.6% YoY.

The total Assets under Management (AUM) of the ETFs (equity and debt) and Index Funds linked to Nifty indices in India was ₹4,66,383 Crs. as on March 31, 2023, as compared to ₹3,53,299 Crs. as on March 31, 2022. Total Passive funds AUM in India has grown by 35% from ₹4,99,319 Crs. as on March 31, 2022, to ₹6,74,783 Crs. as on March 31, 2023. In FY 2022-23, 121 passive products (ETFs and Index Funds) were launched in India of which 79 are linked to Nifty Indices.

As on March 31, 2023, 13 ETFs linked to Nifty indices have been issued by international ETF issuers (7 on Nifty 50, 2 on Nifty50 2x Leverage, 1 on Nifty50 1x Inverse, 1 on Nifty 50 Equal Weight, 1 on Nifty Financial Services 25/50 and 1 on Nifty India Select 7 Government Bond Index) in international markets. The total AUM of International ETFs linked to Nifty Indices was USD 1,167 Million as on March 31, 2023 as compared to USD 1,024 Million as on March 31, 2022.

During FY 2022-23, NSE Indices earned a net profit after tax of ₹232.32 Crs. as compared to net profit after tax of ₹153.72 Crs. in FY 2021-22. The Board of NSE Indices recommended a dividend of ₹1,607/- per equity share for FY 2022-23. The payment of the dividend is subject to the approval of the members which is being sought at the Annual General Meeting of NSE Indices.

#### Other Key Developments:

The Company has a licensing agreement with SGX for NIFTY 50, NIFTY Bank and three other equity indices for the trading of derivatives products on these indices on the Singapore Stock Exchange (SGX) which was terminated vide notice dated February 12, 2018 pursuant to the joint press release by the Indian exchanges on February 09, 2018. Subsequently, SGX issued a circular dated April 11, 2018 for the launch of three new contracts called SGX India Futures, SGX Options on SGX India Futures and SGX India Bank Futures which were replica of our contracts. To prevent such launch, Company filed a petition before the Hon’ble Bombay High Court on May 21, 2018 against SGX seeking urgent interim reliefs against the marketing, promotion and launch of these three new contracts. The Hon’ble High Court granted an ad-interim injunction against the launch of the said new derivative contracts by SGX. Thereafter on May 29, 2018, the Court passed a consent order and referred the matter for arbitration to the sole arbitration of Shri Justice S.J. Vazifdar (Retd.).

In parallel, NSE & SGX were in discussions for a proposed collaboration in NSE IFSC Ltd. at Gujarat International Finance Tech-City (GIFT), Gujarat. On September 22, 2020, NSE and SGX entered into a formal Collaboration Agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect which will bring together international and GIFT City participants to create a bigger liquidity pool for Nifty products in GIFT City. Accordingly, an application under Section 29(a) of Arbitration and Conciliation Act, 1996 was filed before the sole arbitrator seeking the termination of the arbitration proceedings by consent wherein the sole arbitrator passed an order stating that the interim orders passed by the Hon’ble Bombay High Court and the Arbitral Tribunal be deemed to have been discharged and terminated and to have

had no legal effect or force w.e.f. September 22, 2020 (i.e. the date of the execution of the Collaboration Agreement. The NSE IFSC - SGX Connect shall be going live in FY 23-24 and once the Connect goes live, the licensing agreement with SGX for trading of derivatives products will be terminated as per the collaboration agreement signed with SGX.

On December 16, 2022 SEBI issued a circular related to Performance Reporting and Benchmarking by Portfolio Managers. As per circular, Association of Portfolio Managers in India (APMI) shall prescribe the benchmarks for various investment strategies. On March 23, 2023 APMI issued a circular approving NSE Indices as empanelled index provider for Portfolio Managers.

On February 24, 2023, NSE Indices Ltd. launched India's first Municipal Bond Index. The Nifty India Municipal Bond Index seeks to measure the performance of portfolio of municipal bonds issued by municipal corporations across maturities and having investment grade credit rating.

#### 4.9.4 NSE INFOTECH

NSE Infotech, a step-down subsidiary of NSE is 100% owned by NSEI. The paid-up share capital of NSE Infotech as on March 31, 2023 stood at ₹5 lakhs.

During FY 2022-23, the Company has a net loss of ₹0.42 lakhs as compared to net loss of ₹0.48 lakhs during FY 2021-22

#### 4.9.5 NSEIT Limited (NSEIT)

NSEIT, a step-down subsidiary of NSE, whose 100% of share capital is held by NSE Investments Limited, carries on the business of, inter alia, designing, developing, maintaining, marketing, buying, importing and exporting, licensing and implementing computer software and hardware. As on March 31, 2023, the issued, subscribed and paid-up share capital of the Company was ₹1,880,000,100/- comprising of 10,000,010 equity shares of ₹100/- each amounting to ₹100,000,100 and 10,000,000, 7%, Seven Years, Cumulative Redeemable Preference Shares of ₹100/- each amounting to ₹ 1,000,000,000 and 7,800,000, Series A, 7%, Seven Years, Cumulative Optionally Convertible Redeemable Preference Shares of ₹100/- (Rupees Hundred) each amounting to ₹ 780,000,000.

During FY 2022-23, NSE decided to exit businesses which were non-core to the exchange business. Accordingly, NSE found it appropriate to exit the technology business of NSEIT (including its subsidiary companies) and Digital Examination (DEX) business of NSEIT.

During the financial year 2022-23, NSEIT on a standalone

basis, earned a total income of ₹248.20 Crs. from Continuing operations as compared to previous year's total income of ₹205.39 Crs.. The net loss (from both continuing and discontinuing operations) for the year was ₹7.64 Crs. as compared to net loss of ₹8.82 Crs. in the previous year. On a consolidated basis, the total income of NSEIT from Continuing operations increased to ₹698.15 Crs. from ₹471.34 Crs. in the previous year and the profit after tax (from both continuing and discontinuing operations) stood at ₹10.20 Crs. as against ₹6.50 Crs. in the previous year.

The Board of NSEIT recommended NIL dividend for equity shareholders and 7% on the Cumulative Redeemable Preference Shares of ₹100/- each, for the financial year 2022-23 and Series A, 7% on the Cumulative Redeemable Preference Shares of ₹100/- each, for the financial year 2022-23. The payment of a dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEIT.

#### Initiatives, Operations and Major Events during the year 2022-23

NSEIT, along with its subsidiary companies—Aujas Cybersecurity Ltd and CXIO Technologies Pvt. Ltd have expanded its collective capabilities across the spectrum and continue to augment its offering repository. As an integrated organization, the technology business is well-positioned and fast evolving to become a leading niche domain-centric, technology partner providing 360-degree IT services. The harmonization between the group companies grows stronger every day, driven by carefully planned and executed programs. NSEIT's Digital Examination (DEX) business continues to grow and consolidate its market position on the back of its strong client relationships and technology driven delivery excellence.

#### Awards which were received during the year



#### Business Updates:

##### I. Digital Business Unit (DBU)

In line with the strategic direction to offer differentiated value propositions that leverage the combined capability of OneNSEIT, the Company has added several new

clients to the digital business unit. This year saw the Company recalibrating the composition of its business and its services footprint in the digital business grew by over 50% year on year. As a result, the digital BU is gradually growing its managed services portfolio and helping clients expedite their digital transformation initiatives and business outcomes. These clients include global exchanges, regulators, large PSUs, private banks, account aggregators, and a leading clearing corporation.

The investments made in the augmentation of practice teams have begun yielding results. In this year, Digital BU invested a lot of efforts on creating new solutions and accelerators to expand its presence in the BFSI industry. Some of the solutions such as Yugma (low-code platform for application development), AAIN-A (Accelerator for Advanced Analytics in Insurance), SQLake (metadata-driven autonomous data processing framework) are among the many that were developed.

The digital business also had important project deliveries executed, some of which got the business unit multiple recognition in the industry. Most notable among those was of “Manthan – India’s Platform for Research and Innovation”, where the team worked with the Office of the Principal Scientific Adviser (PSA) to the Government of India (GoI) to develop a platform for research and innovation. This project was awarded the Best Tech Initiative of the Year award at the Dun & Bradstreet Business Excellence Awards 2022.

Another project that needs to be mentioned was a global stock exchange alliance, where the teams supported the exchange in establishing a connect between the exchanges which helps investors to trade NIFTY equity derivatives for global institutions.

The key focus for this business next year, is to leverage its credentials and expertise and expand its presence in the Americas and Middle East markets. There will also be immense focus on improving the gross margins and working on various levers to enhance profitability in the business.

## II. Digital Examination Services (DEX)

The DEX business made a marked turnaround this year after a challenging period. They built strong client relationships with minimal disruptions. Cost optimization and close monitoring at the regional level resulted in a healthy growth in EBIDTA. Similarly, large-scale deployment of automation tools in critical areas led to reduced escalation and improved customer satisfaction.

One of its key strategic accounts has generated revenue of appx ₹ 57 Crs. during the year, with a continued trajectory and commit from this relationship for future years. During the year, DEX improved efficiencies and brought in tighter process and governance measures to ensure that it delivers with the least disruptions. With the strong focus on collections, it also improved the cash flow positions in this business substantially.

This business is poised for good growth across revenue and profitability metrics in the next financial year.

### 4.9.6 NSE Data & Analytics Limited (NSE DATA)

NSE Data, a 100% step-down subsidiary of NSE, carries on the following businesses:

- Infofeed - Dissemination of NSE’s trading data.
- Know Your Customer (KYC) Registration Agency (KRA).
- Managed Service Provider for Central KYC Records Registry (CKYCRR) to Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI).
- Security level valuations for fixed income instruments.

The paid-up share capital of NSE Data as on March 31, 2023 was ₹9 Crs. comprising of 90 lakh equity shares of ₹10 each.

During FY 2022-23, NSE Data on-boarded a number of new infofeed clients in India as well as international markets. The implementation of a non-display policy for the infofeed business was again a focus area for the year and a number of new clients signed up under the non-display policy during the year. The company has been focusing on moving up the value chain by launching analytical products on trading data feed which will help the investors in their investment decisions.

NSE Data also provides fixed income valuation services catering to Mark to Market (MTM) requirement of asset managers/enterprises including mutual funds, insurance companies, banks, PMS, Corporates, FPIs and other market participants. Valuation is available for corporate bonds/NCDs, Commercial Paper (CP) and Certificate of Deposits (CD), Dated Government securities, T-bills and State Development Loans (SDLs). The company covers the valuation of 10,000+ instruments and maintains a Database for 6,000+ terms and conditions of debt instruments and credit rating for 2,500+ issuers.

On December 16, 2022 SEBI issued a circular related to Performance Reporting and Benchmarking by Portfolio Managers. As per circular, Association of Portfolio Managers in India (APMI) shall prescribe standardised valuation norms for portfolio Managers making it mandatory to use valuation

services obtained only from empanelled valuation agencies. On March 23, 2023 APMI issued a circular approving NSE Data & Analytics as empanelled valuation agency for Portfolio Managers.

NSE Data is a SEBI registered KYC Registration Agency (KRA) and commenced its operations on March 06, 2012. As on March 31, 2023, 1,657 SEBI intermediaries are registered with NSE Data KRA and there are about 15 lakh KYC records with NSE Data KRA.

NSE Data was appointed as Managed Service Provider for Central KYC Records Registry (CKYCRR) initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). CKYCRR is a centralised platform for uniform KYC norms facilitating inter-usability of the KYC records across the entire financial sector. A Committee of Regulators headed by RBI, formulated and designed a common KYC template which is valid across the financial institutions. RBI, IRDA, PFRDA and SEBI have issued circulars directing their regulated entities to integrate with CKYCRR as per the PMLA rules.

CKYCRR went live for individuals on July 15, 2016. KYC template for legal entities on CKYCRR was operationalised on April 02, 2021. As on March 31, 2023, 6,522 entities have gone live on CKYCRR, with more than 70 Crs. KYC records being uploaded on CKYCRR. During FY 2022-23, 16.86 KYC records were uploaded on CKYCRR. There has been a surge in the number of KYC records downloaded from CKYCRR with 29.13 Crs. records being downloaded in FY 2022-23 as against 16.97 Crs. downloads in FY 2021-22.

During FY 2022-23, NSE Data earned a net profit after tax of ₹102.42 crs as compared to net profit after tax of ₹78.40 crs in FY 2021-22. The Board of NSE Data recommended a dividend of ₹102.40 per equity share for FY 2022-23. The payment of the dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSE Data.

#### 4.9.7 NSE Academy Ltd. (NAL)

NSE Academy Ltd. is a wholly-owned subsidiary of the National Stock Exchange of India Ltd. (NSEIL). NSE Academy enables the next generation of BFSI and FinTech professionals with industry-aligned skills – through capacity building programs and certification courses, powered by an online examination and certification system. The courses are well-researched and carefully crafted with inputs from the industry professional. NSE Academy works closely with reputed universities and institutions across India in building a competent workforce for the future of BFSI and FinTech.

NSE Academy also promotes financial literacy as an essential life skill among youngsters – a contribution towards financial inclusion and wellbeing.

The paid-up capital of NAL as on March 31, 2023, stood at ₹180.80 Crs. comprising of 1,00,00,000 equity shares of ₹10 each and 17,08,00,000 preference shares of ₹10 each.

During the financial year 2022-23, NAL incurred a loss of ₹8.97 Crs. as compared to loss of ₹11.34 Crs. for the financial year 2021-22.

NSE has identified education business as a non-core activity and accordingly, the Board has granted an in-principle approval to divest the business.

#### Key Initiatives / Developments during the Financial Year 2022-23

##### 1) MoU with Commissionerate of Collegiate Education, Government of Andhra Pradesh for skill development courses to students

In January 2023, NSE Academy Limited inked MoU with the Commissionerate of Collegiate Education, Government of Andhra Pradesh, for skilling UG students from Commerce and Management streams for enhancing employability in areas of banking, capital markets, financial services, insurance and financial technology. Under this collaboration, NSE Academy is offering Skill Development Courses in six specialised streams which are introduced by the Government of Andhra Pradesh, under the NEP 2020. The students have the flexibility of opting for the courses of their interest and all undergraduate students of commerce stream across the state are expected to benefit by this collaboration.

##### 2) Financial Education and Investment Awareness Program in association with Karnataka State Higher Education Council (KSHEC)

NSE Academy, in association with Karnataka State Higher Education Council, is imparting financial management skills to the youth of Karnataka. In July 2022, NSE Academy signed an MoU with the Council and MOAs with 20 state universities of Karnataka for financial education of college students. Accordingly, a 45-hour 'Financial Education and Investment Awareness' life skill course is integrated into the curriculum of all second year UG students of the 20 universities. Over 4 lakh students are learning the concepts of finance through classroom sessions and self-paced online content. The classroom sessions are handled by over 2500 faculty members trained by NSE Academy. The self-paced online content is administered through NSE Academy LMS.

The course content, developed by NSE Academy with inputs from Commerce Curriculum Committee of Karnataka and various industry bodies, is in English. To break the language barrier and to reach out to all segments of students, NSE Academy developed a Kannada version of the course workbook. The Kannada workbook was released jointly by the Hon'ble Governor of Karnataka, and MD & CEO of National Stock Exchange in a high profile event held on March 14, 2023.

**3) NSE Academy Joint Collaboration with Tamil Nadu Government for a massive upskilling program for the student community**

Tamil Nadu Government has launched a benchmarking program called "Naan Mudhalvan" with an objective to identify potential Industry partners, to impart various skill trainings to the student community of Tamil Nadu based on current industry gaps.

NSE Academy has been identified as a premium Industry partner for the BFSI and emerging technology segments addressing the crowd of Arts and Science and Engineering students across the state of Tamil Nadu for this flagship program. A MoU had been signed by NSE Academy with the State Government of Tamil Nadu to initiate a successful kickstart of the project.

Under this special project of the TN Govt., NSE Academy has agreed to offer 7 Industry ready courses for the Arts and Science domain such as Mutual Funds, Insurance, Income Tax and GST, Fin-Tech, Digital Marketing, Business Analytics and Capital Market. Under the segment of Emerging technologies, NSE Academy has agreed to offer 2 Industry ready programs for Engineering students across Tamil Nadu on Blockchain and Digital Marketing.

As a part of 1st student intervention, NSE Academy has covered 722 colleges addressing 70,000 Students of Arts and Science domain who are physically trained at their respective colleges across 7 industry ready programs and about 15,000 students at Engineering colleges are virtually trained on 2 Industry ready programs.

**4) Launch of 'Invest-verse: An Introduction to the World of Investing' in collaboration with NSE Academy Limited and HDFC Mutual Fund**

In August 2022, NSE Academy Limited collaborated with HDFC Asset Management Company Limited (HDFC AMC), the investment manager to HDFC Mutual Fund, to launch first-of-its-kind program namely 'Invest-Verse: An Introduction to the World of Investing'.

The program is offered to college students across India. The program enables to reach the next wave of first-time investors through a holistic learning journey, which is also made available on HDFC Mutual Fund's MFBytes application. The programs are delivered through online and application-based training and will be co-certified by both the institutions. Approx. 25000 students have been trained through this initiative.

**5) NSE Academy Limited has collaborated with New York Institute of Finance as Content Partner on NSE Knowledge Hub**

NSE Academy Limited has signed an agreement with New York Institute of Finance (NYIF) to augment the learning experience for students and professionals.

Through this collaboration, NYIF's Micro-certificate courses, digitised eLearning courses and programs content, are offered to students and professionals on NSE Knowledge Hub. The Micro-certificate courses are 4 to 6 hours, skill-based courses in key topics such as – Hedge Funds, Options, Business Valuation, Corporate Credit Analysis, Financial Derivatives, among others. All Micro-certificate courses will be available on subscription access through NSE Knowledge Hub portal.

**6) NSE Academy Limited has collaborated with The Risk and Insurance Management Society, Inc. to strengthen business resiliency through Risk Management Education**

NSE Academy Limited has signed agreement with The Risk and Insurance Management Society, Inc. (RIMS) to deliver a series of RIMS-Certified Risk Management Professional Certification (RIMS-CRMP) instructor-led virtual preparation courses for both aspiring students and seasoned executives. The RIMS-CRMP is the only accredited risk management certification in the world (American National Standards Institute – ANSI – under ISO/IEC 17024:2012). It tests individuals on their command of five risk management tenets: analysis of business models; ability to design organizational risk strategies; implementation of the risk process; development of organizational risk competency; and their ability to support decision-making.

**7) Capacity Building Program on Capital Markets for Department of Investment & Public Asset Management (DIPAM) officials**

NSE Academy Ltd conducted a two-day Capacity Building program on Capital Markets for officials from Department of Investment & Public Asset Management (DIPAM).

Two batches were held in December 2022 and January 2023 with total 39 participants. DIPAM officers of various ranks attended the batches – Director, Deputy Director, Secretary, Joint Secretary, Additional Secretary, Deputy Secretary, Under Secretary, QCI. Sessions were taken by NSE personnel from various departments namely Business Development, Trading, Technology, Listing, NCL, Regulatory, Cyber Defence.

#### 8) Capacity Building Program on Fundamentals of Stock Markets for Comptroller & Auditor General of India (CAG OF INDIA)

NSE Academy Ltd conducted a two-day Capacity Building program on Fundamentals of Stock Markets on 27th and 28th February 2023. The batch comprising of 25 officials attended the training. The participants included senior dignitaries from CAG.

The Comptroller and Auditor General of India is the supreme audit institution of India, established under Article 148 of the Constitution of India. They are empowered to audit all receipts and expenditure of the Government of India and the State Governments, including those of autonomous bodies and corporations financed by the Government.

#### 9) Partnerships on NSE Knowledge Hub

The NSE Knowledge Hub', is a unique Artificial Intelligence (AI) powered learning platform specially created for financial learning and to assist the BFSI sector in enhancing skills for their employees and helping academic institutions in preparing future ready talent skilled for the financial services industry.

Few important partnerships on NSE Knowledge Hub are (a) The Risk Management Society (RIMS) (b) Knolskape Solutions Pvt. Ltd. (c) New York Institute of Finance (NYIF) (d) Grant Thornton (GT) (e) Institute for Mergers, Acquisitions and Alliances (IMAA) (f) Deakin Co, Australia.

#### 10) NSMART – Trading Simulator

Launched in December 2019, NSMART is a simulated Market Trading application which reproduces features of a live equity / derivative / currency derivative market on trading terminals for students / users to practice and learn trading securities without financial risk.

Currently we have tie-ups with 55 Educational Institutions with total 36,350+ registered users. Few important collaborations for NSMART include (i) Indian Institute of Management Bangalore (ii) Indian Institute of Management Tiruchirappalli (iii) Indian Institute of Technology Roorkee (iv) Indian Institute of Management Jammu (v) Indian Institute of Technology, Dhanbad.

#### 4.9.8 NSE IFSC Ltd (NSE IFSC)

NSE IFSC, a wholly owned subsidiary of NSE, commenced operations as a Stock Exchange in GIFT City International Financial Services Centre (IFSC), Gandhinagar, Gujarat on June 5, 2017, after receiving approval from SEBI vide its letter dated June 2, 2017 granting recognition as Stock Exchange for a period of one year effective from May 29, 2017. SEBI further granted renewal of recognition to NSE IFSC until May 28, 2021. The International Financial Services Centres Authority (IFSCA) has been notified as the regulator for the Stock Exchanges (including for NSEIFSC) and clearing corporations in the IFSC with effect from October 1, 2020, with the notification by the Government of India of the commencement of section 13 and section 33 of the International Financial Services Centres Authority Act, 2019 (IFSCA Act) with effect from October 01, 2020. IFSCA has granted renewal of recognition to NSE IFSC until May 28, 2023.

NSE IFSC has made an application to IFSCA for renewal of recognition.

Paid-up capital of NSE IFSC as on March 31, 2023, stood at ₹300 Crs. comprising of ₹30 Crs. equity shares of ₹10 each.

As on March 31, 2023, NSE IFSC had 59 registered trading members and 41 members enabled for trading. NSE IFSC has introduced trading in the following asset classes: Global Stocks, Equity Index Derivatives, Indian Stock Derivatives, Commodity Derivatives and Currency Derivatives including Derivatives on Indian Rupee, Debt Securities and Depository Receipts.

The aggregate turnover for FY 2022-23 was USD 255.80 billion

As on March 31, 2023, NSE IFSC Debt Securities Market (DSM), has established total cumulative Medium-Term Notes (MTNs) worth USD 42.80 billion and listed over USD 23.63 billion from 12 issuers.

NSE IFSC Limited has initiated a series of measures to build liquidity in various product classes and broad base participation on the Exchange. As part of the endeavour, the Exchange has introduced Liquidity Enhancement Schemes for various products including Futures & Options on Nifty 50.

On the regulatory front, during the previous financial year, the IFSC Authority has initiated various regulatory measures across the capital markets in IFSC in line with other global financial centres. IFSCA has issued regulations on Market Infrastructure Institutions, Capital Market Intermediaries, Performance Review Committee, Issuance and Listing of Securities and other notifications and circulars in operational

and policy matters in capital market. NSE IFSC has adopted policies and processes benchmarked not only to the prevalent IFSCA regulations but also to global best practices. NSE IFSC has proactively interacted with the regulator and other government agencies to be a part of the policy making process.

#### Key Highlights:-

- The NSE IFSC – SGX Connect was formally launched by Hon'ble Prime Minister of India, Shri Narendra Modi, in the esteemed presence of Smt. Nirmala Sitharaman, Hon'ble Union Minister of Finance and Corporate Affairs, Shri Bhupendra Patel, Hon'ble Chief Minister of Gujarat and other distinguished delegates from Central and State Government on July 29, 2022. This was a momentous occasion which marked the beginning of onshoring the offshore trading activity to GIFT IFSC. The transition of trading of SGX Nifty to NSE IFSC via the Connect is targeted for second quarter 2023.
- NSE IFSC, on the Earth Day, 22nd April 2022, has announced the launch of an exclusive International Sustainability Exchange Platform (ISX), a first of its kind platform, set-up in the GIFT IFSC. Further, on 29th July 2022, the NSE IFSC International Sustainability Platform (ISX) was formally launched by Hon'ble Prime Minister Shri Narendra Modi. NSE IFSC ISX has been launched with an objective to support the sustainable finance ecosystem by providing better access to sustainable capital while ensuring greater transparency.
- NSE IFSC won the “Emerging Market Exchange of the Year” accolade at the FOW Asia Capital Market Awards 2022. NSE IFSC has been playing a catalytic role in fostering growth and innovation in financial products, services and technology. The FOW Asia Capital Markets Awards recognise outperformance, innovation, and achievement in the Asian Capital Markets. Winners are selected by an international panel of judges with extensive experience in the industry.
- NSE IFSC hosted “Closing Bell Ceremony” with an objective to raise awareness on sustainable finance during the World Investor Week. As part of this initiative, NSE IFSC also participated in several education activities like panel discussions, focused awareness session on sustainable finance etc.
- NSE IFSC has listed HDFC Bank's USD 750 Million under USD 3 billion Medium Term Note Program on NSE IFSC's Debt Securities Market (DSM) platform. This is HDFC Bank's exclusive listing at GIFT IFSC Exchange. The exclusive listing demonstrates the competitiveness of NSE

IFSC in providing an efficient international listing process to issuers with minimum turnaround time and investment opportunities for investors from across the world.

For the financial year 2022-23, NSE IFSC incurred a loss of ₹95.51 Crs. as compared to loss of ₹53.06 Crs. for the financial year 2021-22.

#### 4.9.9 NSE IFSC Clearing Corporation Ltd. (NICCL)

NICCL, a step-down subsidiary of NSE, wherein 100% share capital is held by NSE Clearing Limited (NCL), a wholly owned subsidiary of NSE, commenced operations as Clearing Corporation in GIFT City, Gandhinagar, Gujarat, India, with effect from June 05, 2017, after receiving approval from SEBI.

IFSC Authority further granted renewal of recognition to NICCL until May 28, 2023. The paid-up share capital of NICCL as on March 31, 2023, stood at ₹90 Crs. comprising of 9 Crs. equity shares of ₹10 each.

NICCL clears and settles trades executed on NSE IFSC Ltd. (NSEIFSC). NICCL has the following types of clearing membership – Professional Clearing Member, Trading Cum Clearing Member, and Trading Cum Self Clearing Member. NICCL has put in place a robust and comprehensive Risk Management System. NICCL has adopted global best practices and adopted the CPMI IOSCO Principles for Financial Market Infrastructures (PFMIs).

Clearing Banks and Depositories are the key link between clearing members and NICCL for funds and securities settlement. Members are required to maintain and operate a clearing and pool account with any one of the designated clearing banks and depository participants respectively. There are currently 7 Banks (IBU's) empaneled with NICCL for issuance of collateral and 6 Banks (IBU) for settlement of funds. For the purpose of settlement of securities NICCL has established connectivity with India International Depository IFSC Ltd. (IID), the Depository in IFSC. During the financial year 2022-23, NICCL incurred a loss of ₹15.75 Crs. as compared to loss of ₹10.07 Crs. for the financial year 2021-22.

#### Initiatives and major events during the Financial Year 2022-23:

1. NICCL has implemented single settlement of trades executed on NSEIFSC, wherein trades of T1 session of previous day shall become part of trades of T session of next working day for the purpose of clearing & settlement.
2. NICCL has implemented Risk Management framework for Pre-open and Pre-close sessions at NSEIFSC for Index Futures Contracts.
3. NSE IFSC – SGX Connect was launched by Hon'ble

Prime Minister of India, Shri Narendra Modi. The Connect enables orders from SGX Group's trading members to be routed to NSE IFSC for trading and execution, with clearing and settlement through NICCL and SGX Group's Derivatives Clearing as the central counterparty.

- SEBI has prescribed a Cyber Capability Index (CCI) to assess the cyber security preparedness of MIIs. The maximum value of the index can be 100. Based on the guidelines issued by SEBI, the computed and validated CCI score for NICCL for the quarter ending December 2022 was 93.44.

#### Operational Updates:

- As of March 31, 2023, NICCL clears and settles derivative contracts on 4 Indices, 7 currency pairs, 2 commodities, 150 single stocks, 1 DR Receipt and 50 NSEIFSC Receipts.
- NICCL has 15 clearing members, out of which 7 are self-clearing members, 6 are trading cum clearing members and 2 are professional clearing members.
- NICCL accepts Cash, Fixed Deposit Receipt, Bank Guarantee and US Treasury Securities as collateral.
- As on March 31, 2023, the Core Settlement Guarantee Fund was USD 1.45 Mn.
- The total value of the settlement for 2022-23 was USD 4.10 Mn. The highest monthly settlement in FY 2022-23 was USD 0.70 Mn in the month of March 2023.

#### 4.9.10 NSEIT (US) Inc. ("NSEIT US")

NSEIT US, a step-down subsidiary, whose 100% share capital is held by NSEIT is involved in the business of, inter alia, providing information technology and information technology enabled services.

During the financial year 2022-23, NSEIT US had a net Profit after tax of ₹2.14 Crs. as compared to net profit after tax of ₹6.75 Crs. during the financial year 2021-22.

#### 4.9.11 NSE Foundation

NSE Foundation, a section 8 Company under the Companies Act, 2013 was incorporated on March 5, 2018 by NSE and six of its subsidiaries to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group Companies as mandated under the Companies Act, 2013. The CSR projects earlier undertaken by NSE were then assigned to be taken forward by NSE Foundation which has since then further expanded the number of projects implemented.

The paid-up share capital of NSE Foundation as on March 31, 2023 was ₹5,00,000 comprising of 50,000 equity shares of ₹10 each.

During FY 2022-23, the excess of Expenditure over Income of NSE Foundation was ₹4.57 Crs. as compared to the excess of Expenditure over Income of ₹9.83 Crs. during FY 2021-22.

The financial results indicate the contribution received and the amount expended for charitable purposes and other administrative expenditures.

#### 4.9.11 AUJAS CYBERSECURITY LIMITED (Aujas) (Formerly known as Aujas Networks Limited) (Formerly known as Aujas Networks Private Limited)

Aujas, a step-down subsidiary, whose 100% share capital is held by NSEIT is involved in the business of, inter alia, providing Cybersecurity services with operations in India, the Middle East and North America. The service portfolio includes cyber risk advisory, identity management, security verification, security engineering, cloud security & managed detection & response.

During the financial year 2022-23, Aujas demonstrated strong revenue growth, with annual revenue scaling 37% to ₹292.93 Crs. from ₹213.18 Crs.. It saw a 40% year-on-year growth in North America region with significant new client acquisitions. Sales outreach efforts in India resulted in 80% of business coming from the identified targeted accounts. The Company was also successful in expanding few of the key accounts.

An important milestone during the year was the launch of the Aujas Cybersecurity University program with the objective to build in-house talent, fast track career growth for key performers and create a specialised pool for niche skills/roles.

With a strong presence in North America, and one of the market leaders in Middle East, Aujas is well placed to continue its growth momentum. The Company will also continue and enhance its efforts to improve its margin profiles through various measures that have been launched across the business.

#### Awards which received during the year include:

- DSCI Excellence Award:** Aujas was awarded the Data Security Council of India (DSCI) Excellence Award 2022 as the 'Cybersecurity Services Company of the Year India geography for its strategic, proactive, and innovative security and privacy efforts.
- NASSCOM Cloud Adoption Awards 2022:** Aujas won the NASSCOM Enterprise Cloud Adoption Awards 2022 (Operations) in the medium companies segment.
- Microsoft solution sales champion award:** Aujas received the Microsoft solution sales champion award. This award

validates our innovative and integrated solutions developed during the year, helping Microsoft realise its “security for all” vision.

#### Industry Presence

- **Gartner IAM Summit USA:** This year, Aujas was a proud sponsor of the Gartner IAM Summit in Grapevine, Texas. Shri Mohit Vaish, CTO at Aujas Cybersecurity presented at the industry session alongside Dr. Lars Herhold, CISO at Calyx.

The Aujas US leadership team spearheaded the discussions on “Managed Services Approach for Cloud IAM Adoption using SailPoint.”

- **ET Security Tech Summit:** Aujas sponsored two ET security tech summits in Mumbai and was led by Suhas Desai, AVP (MDR) at Aujas Cybersecurity. With more than 200 attendees, the event gained substantial coverage and aired on ET Now.

#### 4.9.13 TalentSprint Private Limited

NSE Academy Ltd., is a majority stakeholder in deep tech education firm TalentSprint Private Limited.

TalentSprint Private Limited is a new-age education technology company which inter-alia engaged in the business of offering skill oriented and career enhancing learning in deep tech, artificial intelligence, automation, and other related areas that are going through rapid industry growth and changing workplace environment to young and experienced professionals who are seeking new skills for employment and up-skilling themselves to navigate the dynamic job world.

It brings transformational high-end and deep-tech learning programs to emerging and experienced professionals in partnership with top academic institutions and global corporations. Its 16 partners include IIIT Hyderabad, IIM Calcutta, IIT Kanpur, IIT Hyderabad, IISc Bangalore, Carnegie Mellon University, Google, Pegasystems etc. The Company has 50+ programs in areas such as Computational Data Science, Digital Health, Deep Learning, Digital Manufacturing, VLSI Chip Design etc. Its programs have consistently seen a high engagement rate and customer delight.

During the year under review, the total income of TalentSprint Private Limited was ₹101.22 Crs. and total expenditure was ₹105.09 Crs. which resulted in a loss before tax of ₹3.88 Crs.

TalentSprint, being an education business and identified as a non-core activity for NSE, the Board has granted an in-principle approval to divest the business.

#### 4.9.14 Cogencis Information Services Limited

NSE Cogencis is a leading data, news and market intelligence

provider to financial market professionals in India. It counts scheduled commercial banks, asset management companies, insurance companies and conglomerates and large corporates as its customers. Its flagship product Cogencis WorkStation is widely used by financial market professionals for taking critical trade and investment decisions. Cogencis WorkStation provides reliable and refined data, actionable news and powerful analytics. Cogencis WorkStation has a large user base across Fixed Income, Forex, Equities, Commodities and Derivative markets. NSE Cogencis is also a leading Data Feed solutions provider to institutions across banking, buy side, sell side and corporation. Cogencis Enterprise Solution allows institutions to fully automate/digitise its processes and gain operational efficiencies and comply with regulations.

#### Performance in Financial Year 22-23

The Company had a strong performance in FY 2022-23. During the year the net Terminal count increased significantly on the back of large custom Terminal deals. Revenue from subscription has also grown at a healthy pace. During this period the Company also added new sources to enhance its data and content coverage. This includes integration of NSE Data’s Bond Valuation and NSE Indices’ Fixed Income suite of indices in the Terminal. A host of new analytical functions were also introduced in FY 2022-23 including integration of FixedIn Analytical tool. These new additions have helped the company offer Fixed Income users with a superior and industry leading product. In line with the market trend, the Company also delivered high growth in its Data Feed solution business.

#### Future Performance

As investors and money managers markets continue to evolve, the need for reliable data, market intelligence and sophisticated analytics will continue to grow; creating more opportunities for the Terminal business. Digitisation, continued innovation in financial product offerings and pressure to comply with emerging regulations will continue to provide tailwind to the company’s Data Feed solutions business.

In FY 2023-24, Cogencis WorkStation users will have access to expanded databases for both real-time and time series data sets across asset classes, macro economy and sectors. The company will also introduce advanced analytics to augment users’ workflows and decision making. The company will also focus on the users beyond large financial institutions which have specific and specialised needs. In FY 2023-24, the company will be introducing products to service users across corporate and investor community.

During the fiscal year 2022-23, the company earned a net profit after tax of ₹15.77 Crs. in comparison to a net profit after tax of ₹15.19 Crs. in 2021-22.

#### 4.9.15 CXIO Technologies Private Limited (CXIO)

CXIO, a step-down subsidiary, whose 92.50% share capital is held by NSEIT is involved in the business of, inter alia, providing multi cloud service and support services to national and international organisations..

During the financial year 2022-23, CXIO achieved revenue of ₹171.23 Crs., which is significant growth of appx 130% from FY 2021-22. This growth results from its commitment to offering capable and holistic cloud services to its customers, centered around innovation.

The Company added appx. 35 new clients. Some notable delivery milestones include six Large DC migrations to cloud, building cloud security automation solution for AWS and Azure, completing large Hashicorp Terraform automation deployment for a large private sector bank and migration of core trading application for a large mutual fund organization.

The Company is also focusing on building practice capabilities for DevOps and Cloud Security, for cloud container backup and building cloud landing zone solution automation solution for AWS and Azure. The Company became an AWS Partner with Migration Services Competency.

While the business will continue to grow next year, the focus will be to increase and expand its managed services portfolio and improve margins. This business will also focus on expanding its global footprint this year.

#### Industry Recognitions

CXIO received several industry accolades in FY 2022-23, including a Microsoft award in the Cloud Security category, the completion of AWS's Migration Competency, the development of a Cloud Security practice with F5 and Thales, and the acquisition of HashiCorp's CHIP certification.

#### 4.9.16 - TalentSprint Inc.

TalentSprint Inc. is a fully-owned subsidiary of TalentSprint Private Limited setup for the purpose of carrying out the business of Education and Training. In its first full year of operations, it has signed up 3 partnerships, viz Google, Carnegie Mellon University and University of Michigan and has launched 5 programs. The first program Techwise with Google Inc aims to deliver high end coding bootcamps to community colleges and minority institutions across 8 colleges in the USA. It has recorded revenue of ₹1,293.20 Lakhs and ₹0.25 Lakh net profit in its second year of operations.

This has set the stage for TalentSprint to acquire more such global alliances in the future.

#### 4.9.17 Associate and joint ventures

National Securities Depository Limited (NSDL) is an associate of NSE in which NSE presently holds 24% of the equity share capital. NSE also continues to hold equity investment in the BFSI Sector Skill Council of India.

Further, Protean eGov Technologies Limited (formally known as NSDL E- Governance Infrastructure Limited), Power Exchange India Limited (PXIL), Receivables Exchange of India Limited, Capital Quant Solutions Private Limited and Indian Gas Exchange Limited are associates of NSEI, a wholly owned subsidiary of NSE.

During the year under review, NSEI entered into definitive agreement to sell its entire stake in Market Simplified India Limited. The transaction is yet to be closed.

#### 4.10 Deposits

Your Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.

#### 4.11.1 Risk Management

Your Company has in place a Board approved Enterprise Risk Management Framework that is well supported by Risk Governance structures, Risk Policies and a detailed Risk Measurement and Monitoring Framework. Your Company has established an enterprise-wide risk assessment and review mechanism which inter-alia consists of risk identification, assessment and categorization of risks taking into account the impact and likelihood of risks and the controls and mitigation plans that are in place to reduce the overall risk exposure for your Company and the residual impact thereof. Your Company has a Risk Management Committee, a subcommittee of the Board and Management level Risk Committees that meet periodically to review the efficacy and adequacy of your Company's Enterprise Risk Management Framework on an ongoing basis and also to review the controls and mitigation plans that are put in place to reduce the overall impact of the various risks.

With respect to Cyber and Information Security Risk, your Company has implemented state-of-the-art cyber security architecture, controls and solutions. Your Company has adopted the SEBI mandated cyber security framework for the design and operation of controls that defend us from advanced cyber-attacks. During the year under review, no major cyber security incidents or breaches were observed.

#### 4.11.2 NSE Technology

Information Technology has been the backbone of the success

of NSE. NSE is a pioneer in adopting state of the art technology platform and it ensures reliability and performance of its systems through a culture of innovation and investment in new technology. NSE has regularly upgraded its information technology systems and infrastructure, with the overarching goal of continually augmenting computing capacity, improving robustness, availability, resiliency enhancing user experience and providing flexibility for future business growth and market needs. The various application systems that NSE uses for its trading as well clearing and settlement, surveillance and other operations form the backbone of the Exchange framework. Our systems are constantly monitored and required to meet specific performance criteria such as predictable response times for critical business transactions, latency, capacity and expected current, future and peak load. Technology vision and strategy drives technology initiatives and constant upgradation; apart from this, new business needs, regulatory requirements, advisories and information security reviews/audits, and recommendations from OEMs drive the technology upgrades. NSE Technology leadership team keeps reviewing the technology trends in the market, state of technology in the organization, and prepares the roadmap of technology for the short term and long term in consultation with all departments and as per the vision of NSE. Exploring new technologies and conducting POC for feasibility is carried out by the technology team with their technology partners. Technology team's initiatives are taken up with oversight and approval by Standing Committee on Technology (SCOT) and the Board.

#### **4.12 Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of FY of the Company and the date of the Report**

There were no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial period to which the Financial Statements relate and the date of this Report.

#### **14.13 Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's Operations in future**

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operation.

#### **4.14.1 Explanations or comments on the qualification, reservation or adverse remark or disclaimer made by the Auditor in his Report**

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors appointed under

Section 139 of the Companies Act, 2013 in their report. Hence the need for explanations or comments by the Board does not arise. The report of the Statutory Auditors form part of the financial statements.

The Secretarial Audit Report does not contain any qualifications, reservation, adverse remarks or disclaimers. except that:

There was a delay in application for extension of the term or appointment of a new public interest director to Securities and Exchange Board of India.

#### **Management Response:**

The reason for delay had been communicated to SEBI. The application was since made to SEBI.

The Report of the Secretarial Audit is annexed herewith as Annexure 6.

#### **4.14.2 Reporting of frauds by auditors**

During the year under review, neither the statutory auditors nor the secretarial auditors have reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against NSE by its officers or employees, the details of which would need to be mentioned in this Board's report.

#### **4.15 Update on Listing**

SEBI, vide its letter dated February 5, 2019, inter alia communicated that as per the SEBI ICDR Regulations 2018, any decrease in the number of shares offered for sale by more than 50% would require the fresh filing of offer document with SEBI and hence, the DRHP filed was being returned.

SEBI in its order with respect to the colocation technology matter passed certain directions inter alia prohibiting NSE from raising funds from the market, through the issuance of equity, debt or other securities for a period of six months from the date of the said order, being April 30, 2019. The said prohibition had expired on October 30, 2019. NSE has requested SEBI to convey its no-objection to enable it to proceed with its IPO plan and for filing the DRHP. Response from SEBI is awaited.

#### **4.16 Extract of the Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013, as amended pursuant to Companies (Amendment) Act 2017 with effect from August 28, 2020, a copy of Annual Return for the financial year 2022-23 will be uploaded on the website of the Company <https://www.nseindia.com/investor-relations/other-disclosures>.

## **5. CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of your Company

and its subsidiaries, prepared in accordance with Indian Accounting Standard 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of your Company. Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the financial statements in Form AOC-1. Your Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of your Company or its subsidiary companies. These financial statements will also be kept open for inspection by any member at the Registered Office of your Company and its subsidiary companies.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of your Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of your Company

## 6. HUMAN RESOURCES

### 1. Learning & Organization Development (L&OD):

In FY 2022-23, Learning and Organization Development (L&OD) continued the path of value creation by focusing on competency-based capability and skill building programs. The key initiatives taken by L&OD team were as follows:

#### Learning & Development:

In a world where technology is evolving and business needs are changing at a very fast pace, employee's knowledge, skill & capability needs to be developed to facilitate a culture of continuous learning to support Business growth. With this perspective, we have formulated a Learning & Organization Development Policy for NSE & its subsidiaries which will be effective from April 01, 2023. This policy will be the guiding principle in our endeavor to create & sustain NSEIL as a learning organization. The objective of the policy is to offer a comprehensive range of learning programs to support employee's learning and growth through diversified and accessible best in class development opportunities through learning management system (LMS) and learning resources.

FY 2022-23 continued to be a year of leveraging digital medium for learning and development interventions. Key focus was to continue to build and strengthen customised learning pathways in terms of design and content, by factoring in user experience and requirement.

In context of same, Learning Management System (LMS) was implemented as a single platform to drive unique learning experience. All new hires are assigned Induction Learning Journey through LMS during their first week of joining to orient them about the organization. Simultaneously, virtual instructor led induction programs of 2 days were conducted on periodic basis for new hires.

L&OD team partnered with LinkedIn Learning to promote culture of self-learning in the organization by providing structured online learning content to employees.

The Learning & Development interventions were linked to the role and level and were designed basis business requirements and the future skill needs.

L&OD team focused on designing learning solutions to build and enhance Behavioral, Functional & Technical capabilities of employees.

**Functional and Technical Learning:** In FY 2022-23, the team partnered with reputed knowledge partners to offer Functional and Technical learning solutions.

Virtual Instructor Led Trainings focused on building functional and technical skills were organised.

Curated Learning Journeys were designed on Python for Data Analysis and Cyber & Information Security Awareness focusing on Phishing for targeted audience utilizing LinkedIn Learning content. We have also rolled out POSH and Enterprise Risk Management E learning modules through LMS for our employees.

**Behavioral Training:** In FY 2022-23, NSE has rolled out an Organizational Development intervention coined as NSE HEART (Happy, Effective, Adaptive, Responsive and Team Oriented) to facilitate "cultural shift" & to drive one NSE culture. This was an outbound based OD intervention which was targeted based on predefined criteria for employees at Senior Manager and below cluster. The focus areas of the program were Collaboration, Cross Functional Teamwork, and Positive Orientation towards work & organization.

Campus to Corporate Learning Journey was designed for freshers to ensure smooth transition from college to corporate world focusing on key skills and competencies like goal setting, managing tasks, communication, teamwork, personal development, and problem solving.

#### Employee Engagement Initiatives:

In FY 22-23, we have implemented the NSE Spot Award initiative as part of NSE's Reward and Recognition framework for NSEIL and its subsidiaries. The objective

of the program is to provide spontaneous recognition and intrinsic motivation to employees by recognizing special contributions, as they occur, for accomplishing a specific task / milestone / significant contribution / success factor / demonstrating a desired behavior / living a value etc. This program will help us appreciate valued contributions from our employees instantaneously.

NSE has partnered with an external agency to provide Employee Assistance Program (EAP) services to its employees to enable them to deal with wide range of issues relating to stress, work life balance and any other challenges. There are plethora of services extended by the Employee Assistance provider such as counselling, On line Chat, video counselling, self-help articles, blogs, podcasts, along with workshops and webinars.

As a part of the Employee Wellness Program, NSE extends Yoga and Gymnasium facility for its employees. There are a host of initiatives that are driven to ensure employee engagement. The policies of the company encourage many activities for the employees and their family members such as family get-togethers, celebration of cultural festival and national events, team workplace parties and learning lunches, sports tournaments, workshops, etc.

## 2. Employee Relations:

Employee relations have been harmonious throughout the period under consideration. Shri Shharad Dhakkate is the 'Chief Human Resources Officer' of NSE.

### 6.1 DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The disclosures required to be made under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table 25: We are giving the below details based on the POSH annual report filed by us for the Calendar year 2022:

**Table 25:**

1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program for all employees was done
5	Nature of action taken by the employer	Not Applicable

NSE has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 7.1 Directors and Key Managerial Personnel

As per the provisions of SECC Regulations, the Governing Board of every recognised stock exchange shall include (a) Public Interest Directors (PID); (b) Shareholder Directors; and (c) Managing Director.

As at the end of FY 2022-23 i.e. March 31, 2023, Shri Girish Chandra Chaturvedi [DIN: 00110996], Chairman of the Board, Shri K. Narasimha Murthy [DIN: 00023046], Prof. S Sudarshan [DIN: 08636735], Smt. Mona Bhide [DIN: 05203026] and Shri S Ravindran [DIN: 09778966] are 'Public Interest Directors' while Shri Veneet Nayar [DIN: 02007846] and Shri Bishnu Charan Patnaik [DIN: 08384583] are 'Shareholder Directors'. Shri Ashishkumar Chauhan [DIN: 00898469] is the Managing Director & CEO of your Company and is included in the category of 'Shareholder Director'.

Shri Ashishkumar Chauhan, assumed office as MD & CEO on July 26, 2022 post approval by SEBI vide its letter dated July 14, 2022. Shri Vikram Limaye [DIN: 00488534] erstwhile MD & CEO completed his term on July 16, 2022.

Further, SEBI vide its letter dated September 08, 2022 approved the nomination of Shri Bishnu Charan Patnaik [DIN: 08384583] as a Shareholder Director of the Company and the same became effective from the even date. Smt. Sunita Sharma [DIN: 02949529] ceased to be a Shareholder Director w.e.f. July 12, 2022. Subsequent to year end Shri Bishnu Charan Patnaik resigned as Director w.e.f. April 29, 2023 and ceased to be a Shareholder Director.

Further, SEBI vide its letter dated December 16, 2022 approved the nomination of Shri S Ravindran [DIN: 09778966] as a Public Interest Director of the Company and the same became effective from December 17, 2022. Smt. Anuradha Rao [DIN: 07597195] ceased to be a Public Interest Director w.e.f. December 16, 2022.

SEBI has approved re-appointment of Prof. S Sudarshan as Public Interest Director on the Governing Board of National Stock Exchange of India Limited for a period of 3 years with effect from February 17, 2023.

The appointment of all the PIDs is for a period of 3 years from their respective effective appointment dates.

First term of Shri Girish Chandra Chaturvedi expired on November 07, 2022. Similarly, first term of Shri K Narasimha Murthy & Smt. Mona Bhide expired on February 16, 2023 & April 20, 2023 respectively. Applications for appointment of new PID / reappointment of existing PIDs has been made and

approval of SEBI is awaited. However, pursuant to subclause 5 of clause (III) of Part H of Schedule II of SECC Regulation 2018, the existing PIDs continue to hold office till the new PIDs are appointed.

In terms of Section 152 of the Companies Act, 2013, Shri Veneet Nayar retires by rotation and he is eligible for reappointment at the ensuing AGM.

The composition of the Board is in conformity with the Companies Act, 2013 and SECC Regulations, enjoining a specified combination of Executive, Non-Executive and Public Interest Directors with at least one Independent Woman Director. The Chairman of the Board is a Non-Executive Director and is not related to the MD & CEO in conformity with

SEBI Listing Regulations.

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014 mandated KYC of all the Directors through the e-form DIR-3 KYC. All Directors of NSE have complied with the aforesaid requirement.

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of your Company are Shri Ashishkumar Chauhan, Managing Director & CEO, Shri Yatrik Vin, Chief Financial Officer (Group CFO & Head Corporate Affairs) and Shri Rohit Gupte, Company Secretary.

Pursuant to SECC Regulations, the Key Management Personnel of your Company as on date of this report are :

Sr No	Full Name	Role
1	Shri Ashishkumar Chauhan	MD & CEO – NSEIL
2	Shri Yatrik Vin	CFO & Head Corporate Affairs
3	Shri Mukesh Agarwal	Managing Director - Indices & Data
4	Shri Vikram Kothari	Managing Director – NSE Clearing
5	Shri Mayur Sindhwad	Head Technology - Operations
6	Shri Somasundaram K S	Chief Enterprise Risk Officer
7	Shri Shiv Kumar Bhasin	Chief Technology Officer - Technology Infrastructure
8	Shri Seshadri Meda	Chief Information & Security Officer
9	Smt. Priya Subbaraman	Chief Regulatory Officer
10	Shri Viral Mody	Head Technology - Application & Development
11	Shri Sriram Krishnan	Chief Business Development Officer
12	Shri Shharad Dhakkate	Chief Human Resource Officer
13	Shri M Vasudev Rao	General Counsel
14	Smt. Nisha Subhash	Senior Vice President - Regulatory
15	Shri Dinesh Soni	Senior Vice President - Regulatory
16	Shri Avishkar Naik	Head - Listing Compliance
17	Shri Rohit Gupte	Company Secretary
18	Shri Hari K	Head- Domestic Relationships, BD
19	Smt. Renu Bhandari	Head Inspection
20	Shri Arvind Goyal	Head - Trade Operations
21	Shri Sampath Manickam	Senior Vice President - Technology Infrastructure
22	Shri Bireshwar Chatterjee	Head - Investigation
23	Smt. Sonali Rajiv Karnik	Head Surveillance
24	Shri Krishnan N Iyer	Senior Vice President - Regulatory
25	Shri Vitthal More	SVP - Product Strategy & Development and Domestic Member Relationships
26	Dr. Tirthankar Patnaik	Chief Economist
27	Shri Arijit Sengupta	Head Marketing & Corp Communication
28	Dr. Harish Kumar Ahuja	Head PSD - Power & Carbon Markets
29	Shri Mahesh Soparkar	Senior Vice President - App & Dev
30	Shri Sanjay Kumar Sinha	Senior Vice President - Business Excellence
31	Shri Amit Bhobe	Senior Vice President - Technology Operations
32	Shri Rajanish Nagwekar	Vice President - Application & Development
33	Shri Sujoy Das	Vice President - Application & Development

Sr No	Full Name	Role
34	Shri Sushil Limbulkar	Vice President - Application & Development
35	Shri Nilesh Tinaikar	Vice President - (BSG)
36	Shri Ajit Sinha	Vice President - (Legal - Non - Litigation)
37	Shri Sanjayu Appukuttan Nair	Vice President - (Litigation)
38	Shri Tojo Banerjee	Vice President - BD
39	Smt. Kiran Dusane	Vice President - Premises
40	Shri Omkeshwar Singh	Vice President - Mutual Fund Business
41	Shri Bhavesh Shah	Vice President - (Finance & Accounts)
42	Shri Virag Shah	Vice President - (Treasury - F&A)
43	Smt. Kavita Ahuja	Vice President - (Member Services)
44	Shri Premal Shah	Vice President - (Taxation - F&A)
45	Shri Shubhendu Dutta	Vice President - (IT - GRC)
46	Smt. Meghana Mahadkar	Associate VP - Commodity Relationship
47	Shri Jamal Akbar Sharif	Associate Vice President - Admin
48	Shri Sumit Agarwal	Associate Vice President - Enterprise Risk
49	Shri Soumick Roy	Associate Vice President - HR
50	Shri Prem Dhage	Associate Vice President - HR
51	Shri Kunal Trivedi	Chief Manager - Secretarial & Corporate Compliances
52	Smt. Moushumi Mandal	Vice President - HR

## 7.2 Board and Committees

Ten meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

### Committees

Details of the composition of Committees of the Board, meetings held, attendance of the Directors at such Meetings and other relevant details are given in the Corporate Governance Report forming part of this Report.

#### Committees:

- a) Functional Committees:
  - i) Member and Core Settlement Guarantee Fund Committee (MCSGFC)
  - ii) Grievance Redressal Committee
  - iii) Nomination & Remuneration Committee
- b) Oversight committees:
  - i) Standing Committee on Technology
  - ii) Advisory Committee
  - iii) Regulatory Oversight Committee
  - iv) Risk Management Committee

#### In terms of the SEBI circular dated February 23, 2017:

- a. Investor Protection Fund Trust (IPFT)

#### In terms of the SEBI circular dated August 7, 2019:

- a. Product Advisory Committee

#### In terms of the SEBI circular dated November 13, 2020:

- a. Committee of PIDs for 2<sup>nd</sup> review of claims lodged by the claimants of the defaulter / expelled members

#### In terms of the Companies Act, 2013 and SEBI (LODR), 2015:

- a. Stakeholders Relationship Committee (SRC)
- b. Audit Committee
- c. Corporate Social Responsibility Committee (CSR)

## 7.3 Declaration by Independent Directors

As per SECC Regulations, SEBI has the powers to nominate a Public Interest Director (PID) on the Board of Exchanges. PID means an Independent Director, representing the interests of investors in the securities market and who does not have any association, directly or indirectly, which is in conflict with his/her role. PIDs have a fixed tenure and the approval of shareholders for their appointment is not necessary.

In terms of SECC Regulations, SEBI had nominated Shri Girish Chandra Chaturvedi, Shri K. Narasimha Murthy, Prof. S. Sudarshan, Smt. Mona Bhide and Shri S Ravindran as Public Interest Directors.

Each PID has given a declaration of independence as required under the applicable laws as well as confirmation that he/ she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence. The enrollment of all PIDs in the Databank being maintained by the Indian Institute of Corporate Affairs to qualify as an Independent Director has been completed and they have

all furnished the declaration affirming their compliance with the relevant provisions of Companies (Appointment & Qualification of Directors) Rules along with the Declaration of Independence.

In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and are persons with integrity.

#### **7.4 Company's policy on Directors' Appointment and Remuneration including Criteria for determining Qualifications, Positive Attributes, Independence of Directors**

Pursuant to requirements of the Companies Act, 2013, NSE has framed a policy on the appointment of Directors and Senior Management personnel and a policy on Nomination and Remuneration of Directors and Key Management Persons identified under SECC Regulations and under the Companies Act, 2013. The Nomination and Remuneration Policy of NSE is attached as Annexure - 2 and the same is uploaded on NSE's website

(weblink: [https://archives.nseindia.com/global/content/investor\\_rel/Nomination\\_and\\_Appointment\\_of\\_Directors\\_and\\_Senior\\_Management.pdf](https://archives.nseindia.com/global/content/investor_rel/Nomination_and_Appointment_of_Directors_and_Senior_Management.pdf) and <https://static.nseindia.com/s3fs-public/inline-files/Remuneration%20Policy.pdf>).

#### **7.5 Performance Evaluation of the Board, its Committees and Individual Directors (ID)**

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on Board evaluation issued on January 5, 2017 and SEBI circular of February 5, 2019 on Performance review of Public Interest Directors, the Board has carried out an annual evaluation of its own performance and that of its Committees, Individual Directors and Independent External Person as of year ended March 31, 2023. This was undertaken internally.

During the year under review, the Board of NSE, based on the recommendations of the NRC formulated and adopted the performance evaluation guidelines for MD & CEO and process for selection and appointment of Key Management Personnel (KMP) at NSE.

The composition of the Board as on March 31, 2023, comprised of Shri Girish Chandra Chaturvedi, Chairman (ID), Shri AshishKumar Chauhan, MD & CEO, Shri K. Narasimha Murthy (ID), Prof. S. Sudarshan (ID), Smt. Mona Bhide (ID), Smt. S Ravindran (ID), Shri Veneet Nayar (SHD) and Shri Bishnu Charan Patnaik (SHD).

The Performance evaluation criteria of the Board, its Committees, Individual Directors, the Chairperson and PID is attached herewith as Annexure-3 and is available on your

Company's website [www.nseindia.com](http://www.nseindia.com).

The criteria for performance evaluation of the Board included aspects like Board composition, vision and strategy, the effectiveness of Board processes, information and functioning, etc. The criteria for performance evaluation of Committees of the Board included aspects like the composition of Committees, the effectiveness of Committee meetings, etc. The criteria for performance evaluation of the individual Directors include acting independently and in the best interests of the Company, aspects on contribution to the Board and Committee meetings like devoting sufficient time to his/her role and responsibilities at Board meetings and playing an active role in the activities of each committee on which he/she serves, etc. Peer assessment of Directors, based on parameters such as participation and contribution to Board deliberations, ability to guide the Company in key matters, and knowledge and understanding of relevant areas were sought by the Board for individual feedback.

The evaluation exercise in terms of Schedule IV of the Companies Act, 2013 was carried out in a separate meeting of Independent Directors (merged with PID committee) held on April 27, 2023. The performance of all the Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board. The Board also carried out the evaluation of their own performance apart from its committees and individual Directors at its meeting held on April 27, 2023.

#### **7.6 Directors' Responsibility Statement**

Your Directors confirm that -

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of NSE at the end of the Financial Year i.e., March 31, 2023 and of the profits of NSE for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NSE and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls

to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

## 8. CORPORATE SOCIAL RESPONSIBILITY

Section 135 of companies Act, 2013 is applicable to the Company. NSE along with its subsidiaries has formed NSE Foundation to initiate, supervise and co-ordinate activities to implement its group wide CSR obligation.

The obligation of NSE for FY 2022-23 was ₹62.25 Crs., of which ₹31.12 Crs. was transferred to NSE Foundation and the balance ₹31.12 Crs. was transferred to an unspent CSR account towards identified ongoing projects as per the provisions of Companies Act, 2013 read with relevant Rules thereunder.

The CSR policy is available on your Company's website [www.nseindia.com](http://www.nseindia.com). The disclosures required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as Annexure-4.

## 9. CORPORATE GOVERNANCE

A report on Corporate Governance for FY 2022-23 is furnished as part of the Annual Report as Annexure 6(i). The certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations is obtained. The Corporate Governance Report which forms part of Boards' Report, is prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018 ("SECC Regulations").

## 10. INTEGRATED REPORT

NSE has always taken steps in line with its core vision of being a leader in the industry. Guided by this thinking, your company has taken a paradigm shift from compliance-based reporting to governance-based reporting by the voluntary adoption of the Integrated Report (IR). The IR is focused on giving a holistic assessment on the integration of the Company's strategic objectives, risk and performance, both financial as well as non-financial, to demonstrate its commitment towards value creation for its shareholders. Your company intends to ensure that the content of the Integrated Report serves as a communication tool that clearly conveys the

company's activities to create value for its shareholders in the long term.

The Integrated Reporting is robust and contains details such as the organisation's strategy and governance framework. The Integrated Report for the year 2022-23 is presented in a separate section, forming part of the Annual Report and also hosted on the Company's website at [www.nseindia.com](http://www.nseindia.com).

## 11. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Securities and Exchange Board of India ('SEBI') under Regulation 34(2)(f) of Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct issued by the Ministry of Corporate Affairs requires companies to present a Business Responsibility & Sustainability Report (BRSR) to its stakeholders in the prescribed format.

As stipulated under the Listing Regulations, describing initiatives taken by NSE from an environmental, social and governance perspective, in the prescribed format forms part of the Integrated Report and the same is also hosted on NSE's website [www.nseindia.com](http://www.nseindia.com).

## 12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report in respect of NSE's financials for the year ended March 31, 2023 is presented in a separate section forming part of the Annual Report.

## 13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

NSE has a "Whistle Blower Policy" in place as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. This Whistle Blower Policy deals with complaints ("protected disclosures") such as Conflict of interest of employees, Insider trading violations, Preferential treatment by Company to individual or specific group of trading members, Violation of legal and / or regulatory provisions, Employee misconduct such as bribery and corruption, instances of unethical behaviour, actual or suspected, fraud, financial or operational mismanagement/irregularities, abuse of Authority, Manipulation of company data/records, Pilferage of confidential/proprietary information, Wastage/misappropriation of company funds/assets, Deficiencies in the internal controls of the Company, any other unethical event or any instances of leak of Unpublished Price Sensitive Information (UPSI).

The complaints could be against employees or other stakeholders including trading members, listed companies,

vendors, consultants, service providers, business partners, and clients of trading members or any other third party associated with the Company.

Protected disclosure can be physically sent or mailed at an email id “whistleblower@nse.co.in”. In exceptional cases (such as potential victimization or threat to the Whistle Blower), the Whistle Blower can directly make a Protected Disclosure to the Chairman of the Audit Committee of NSEIL at ChairmanAC@nse.co.in.

All protected disclosures shall be dealt with in accordance with the internal procedures and the implementation of the Policy and procedures shall be monitored by the Audit Committee.

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure. Complete protection will be given to whistle blowers against any unfair practice. If an investigation leads to the conclusion that an improper or unethical act has been committed, the Whistle Blower Panel/ MD & CEO shall recommend to the Audit Committee to take such disciplinary or corrective action as they may deem fit.

As per the requirement of Listing Regulations, details of Vigil Mechanism are provided on our Company’s website at <https://www.nseindia.com/regulations/exchange-disclosures-details-of-vigil-mechanism>.

#### 14.1 STATUTORY AUDITORS

M/s. Price Waterhouse & Co, Chartered Accountants, LLP, (ICAI Registration No.304026E/ E300009) were appointed as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 29th Annual General Meeting, i.e., August 25, 2021 till the conclusion of 34th Annual General Meeting.

In continuation of its term of appointment, the said Audit Firm carried on the Statutory Audit of the Company for FY ended March 31, 2023.

The Statutory Auditors’ Report for FY 2022-23 does not contain any qualification, reservation or adverse remarks.

#### 14.2 SECRETARIAL AUDIT

The Board, on the recommendations of the Audit Committee, had appointed M/s. Makarand M. Joshi & Co., Company Secretaries, to conduct the Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for a period of 3 years, starting from FY 2021-22 till 2023-24.

The applicable Secretarial Standards, i.e. SS-1 and SS-2,

relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’ have been duly complied with by your Company (kindly refer para 4.14.1).

#### 14.3 COST AUDIT

The requirements relating to a disclosure as to the maintenance of cost records as specified by the Central Government under section 148 of the Companies Act, 2013 is not required to be made by the Company and accordingly such accounts and records are not made and maintained.

#### 14.4 SEGMENT REPORT

NSE 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”. Necessary disclosure in this regard forms a part of notes to the annual accounts as approved by the Statutory Auditors of the Company.

#### 14.5 PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

MCA vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021 has amended the rule 8 with respect to the disclosure of details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of FY. Your Company wishes to inform that there is no such application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 with respect to your Company.

#### 14.6 DIFFERENCE IN AMOUNT OF THE VALUATION

MCA vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021 has amended the rule 8 with respect to the disclosure of details of the difference between the amount of the valuation done at the time of one time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof. Your Company would like to inform that the same was not applicable as there was no such instance of either settlement or loan from Bank or Financial Institution during the year under review.

### 15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

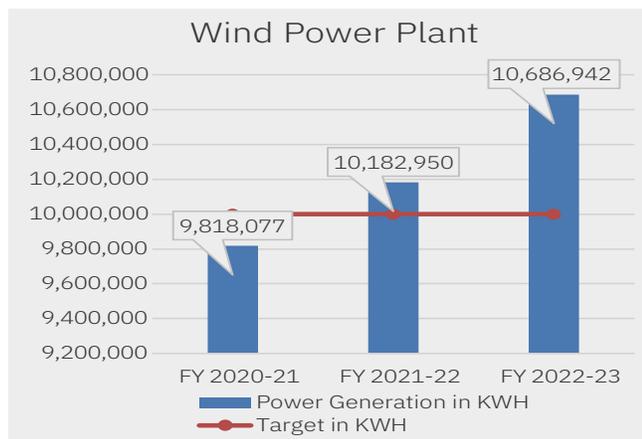
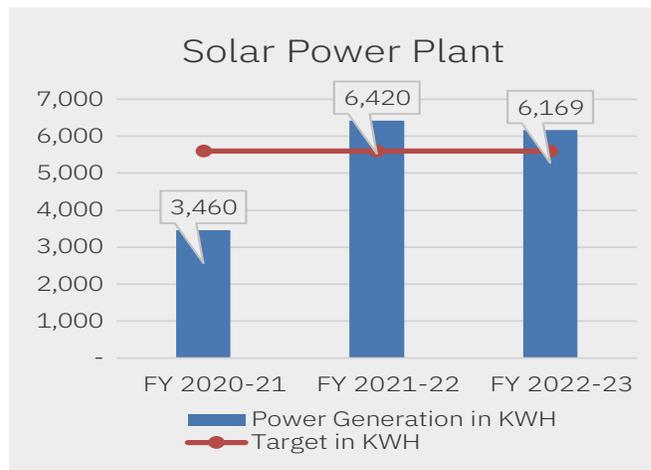
#### Conservation of Energy and Technology Absorption:

NSE has taken several initiatives towards energy conservation, green / renewable energy which demonstrates the commitment towards the sustainable development and clean environment.

**1) Green Power Generation:**

**i) Wind Power Plant:**

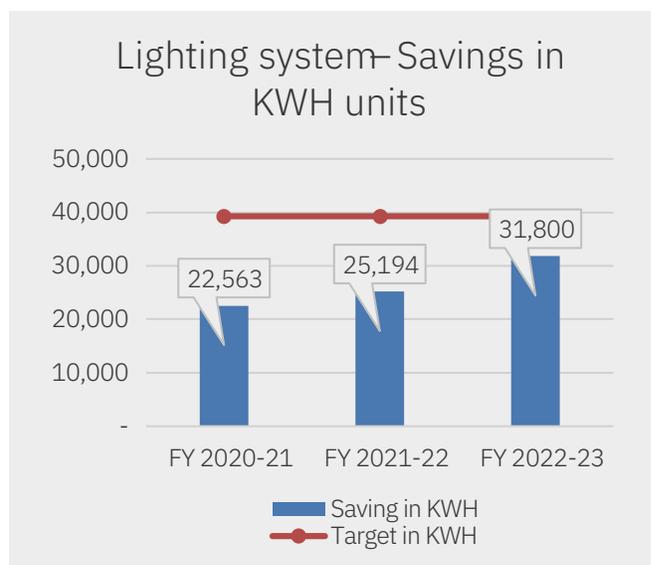
NSE has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW of Wind Mills) Wind Power Plant at Satara in Maharashtra in the year 2014. In Wind Power Plant, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of Wind Power Plant, it goes hand-in-hand with the Local Electricity Board. The Plant is connected to the Main Power Grid of the Local Electricity Board. As per renewable energy policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Power Plant is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid. Accordingly, the aforesaid Wind Power Plant has generated 1,06,86,942 electricity units in the FY 2022-23.



**2. Energy Conservation:**

**i) Lighting Transformer and LED Lights:**

Lighting Transformers have been introduced in the lighting feeders to regulate incoming power supply which reduces excess power consumption and enhances the life of the luminaries. Additionally, LED Lights have been introduced across entire Office area. These measures have saved around 31,800 units in the FY 2022-23.



**ii) Solar Power Plant:**

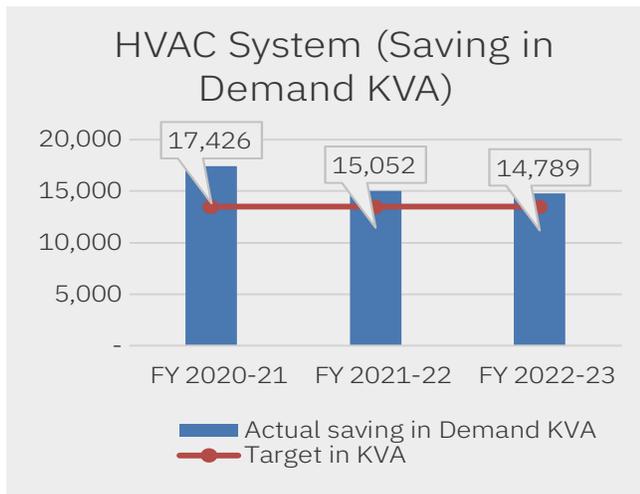
The Solar Power Plant of the capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater to part of the lighting load at Exchange Plaza. This way NSE has saved around 6,169 units in the FY 2022-23.

**ii) Thermal Energy Storage System:**

Thermal Energy Storage System has been introduced in the Air-conditioning (AC) System at Exchange Plaza. It was observed that most of the Services (i.e. AC Chillers, AHU's, Lifts, Lighting, PC, Plumbing System, etc.) in the building were operated mainly during office / day hours. Amongst them, the AC Chillers and its associated equipments used to consume more than 30% of the total peak demand load. In view of this, NSE had decided to reduce its demand load during peak hours by introducing the aforesaid plant in the existing AC System. In this system, the AC Chillers are being operated at night hours to form the "Chill" (i.e. Glycol Water at a temperature below zero degree centigrade) which gets stored in a Thermal Storage Tank. The next day, the stored Chill is being utilised through Heat Exchangers for air-conditioning the entire Office area. On account of this, the Services which were operating mainly during office hours have been distributed and NSE had surrendered the extra power. This way, NSE has saved around 14,789 Demand KVA in the FY 2022-23.

**iii) Occupancy Sensors:**

Motion/Occupancy Sensors have been installed at the entire Office area to operate the Lights automatically based on the occupancy in the respective areas.



**iv) Building Management System:**

The Building Management System (BMS) had been installed at the inception stage itself to enable NSE to operate the Building's Services more effectively. By using BMS System, the Air Handling Units (AHU) of air-conditioning system are being operated (i.e. switching ON /OFF) as per the exact time table scheduled for

respective floors. It also helps NSE to regulate / control the temperature of the workspace area well within a prescribed tolerance. With this effective operation and regulation of AHU's, electricity is being conserved on a day-to-day basis.

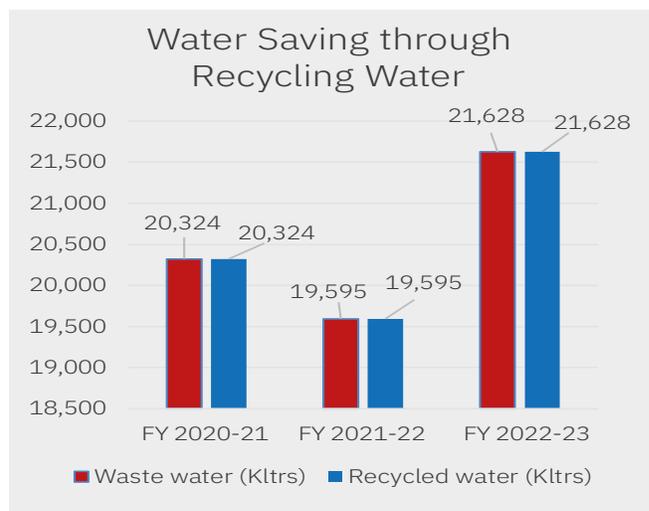
**v) Automatic Power Factor Control Units:**

The Automatic Power Factor Control Units have been installed to improve the power factor (i.e. by counter balancing the inductive load of the building with capacitive load) of the entire electrical load of the Building. Power Supplier gives incentives i.e. by passing certain discount in the electricity bill on account of this regularly.

**3. Water Management:**

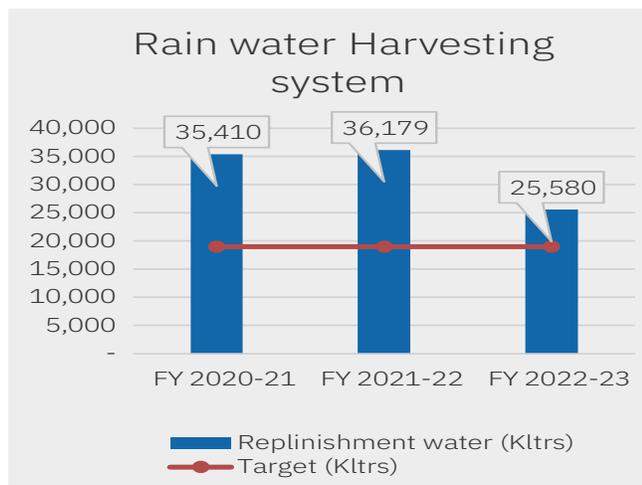
**i) Water Recycling - Sewerage Treatment Plant:**

This plant has been installed at the inception stage itself to enable NSE to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with Air-conditioning System and for Gardening purposes every day. This way NSE has saved around 21,628 Kiloliters of Water in the FY 2022-23.



**ii) Rain Water Harvesting System:**

Envisaging water scarcity in the future as well as present water shortages, a proper Hydro - Geological survey was conducted at Exchange Plaza to explore the possibility of harvesting the rainwater in the periphery of Exchange Plaza. Accordingly, post survey and feasibility, Rainwater Harvesting System has been installed. By using this System, water is percolated into the soil in the Exchange Plaza campus.



**4. Waste Management:**

**Vermiculture Plant:**

The compostable material like food waste collected from Canteen, Garden Organics and Paper and Cardboard gets collected at one place. Post shredding, the aforesaid organic material gets loaded into Vermiculture plant for the decomposing process. Post 7 days of an on-going process, vermicompost / manure get generated and is being used for Gardening purposes. This way NSE has generated around 220 Kg of manure in the FY 2022-23.

**Waste Disposal**

The Company believes in reduce, recycle and reuse and manages its waste efficiently through various initiatives such as Vermiculture system, Sewage treatment plant. We reduce the E-waste and ensure that the E-waste generated is recycled efficiently.

E- Waste - As per the Company’s E-Waste Policy, the E-Waste in Exchange Plaza building as well as its Branch Office premises is recycled through authorised E-waste

Vendor shortlisted by Central Pollution Control Board (CPCB)/Maharashtra Pollution Control Board (MPCB).

Food Waste - Food waste generated at Company’s Exchange Plaza building is processed through Vermiculture System installed at its building wherein manure (i.e. Vermicompost) generated through it is used for Gardening Purpose.

Water Recycling - Sewage water generated at Exchange Plaza is recycled through Sewage Treatment Plant installed at its Exchange Plaza building and the processed water is used for secondary purposes i.e. for cleaning, for Cooling Towers associated with Heating, Ventilation and Air Conditioning (HVAC) System.

**Foreign Exchange earnings/outgo during the year under review**

Foreign exchange earnings during the year was Nil and Foreign exchange outgo during the year was ₹ 81.29 Crs.

**16. PARTICULARS OF EMPLOYEES**

A Statement of Particulars of Employees covered under the provisions of Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as Annexure-7. The ratio of compensation paid to each key management personnel, vis-a-vis median of compensation paid to all employees of NSE is enclosed herewith as Annexure-8.

**17. ACKNOWLEDGMENT**

Your Directors are grateful for the support and co-operation extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. Your Directors would also like to place on record their sincere appreciation of the support provided by the shareholders and also their deep appreciation of the contribution made by the employees at all levels to the continued growth of your Company.

**For and on behalf of the Board of Directors**

**Girish Chandra Chaturvedi**  
*Chairman*

Date: May 15, 2023

DIN: 00110996

## ANNEXURE 1 TO BOARD'S REPORT

### Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts / arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Justification for entering into such contracts or arrangements or transactions: N.A.
- (f) date(s) of approval by the Board: N.A.
- (g) Amount paid as advances, if any: N.A.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013: N.A.

#### 2. Details of material contracts or arrangements or transactions at arm's length basis:

In terms of policy on Related Party Transactions of the Company, transactions, whether individually or taken together with previous transactions with a related party during a financial year, where exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company are considered as material related party transactions. Accordingly, the following information is furnished.

- (a) Name(s) of the related party and nature of relationship: Please see Annexure to AOC - 2
- (b) Nature of contracts/arrangements/transactions: Please see Annexure to AOC - 2
- (c) Duration of the contracts / arrangements/transactions: On-going transactions (Continuous)
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Please see Annexure to AOC - 2
- (e) Date(s) of approval by the Board, if any: The transactions are on arm's length basis and in ordinary course of business and so the approval of the Board for this purpose is not required.
- (f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi  
Chairman

DIN: 00110996

Date: May 15, 2023

## Annexure to AOC 2

a) Names of the related parties and related party relationships

Sr. No	Related Party	Nature of Relationship	Principal Activities	% Holding
1	NSE Clearing Limited	Subsidiary Company	Clearing and Settlement	100%
2	NSE Investments Limited	Subsidiary Company	Investment Entity	100%

b) Details of transactions (including GST as levied) with related parties are as follows :

Name of the Related Party	Nature of Transactions	For the year ended 31.03.2023	For the year ended 31.03.2022
NSE Clearing Limited	Usage charges received	25.13	25.22
	Usage charges paid	1.66	1.66
	Space and Infrastructure usage charges received	4.45	5.37
	Recovery of Electronic Bidding Platform income	0.84	0.86
	Reimbursement received for expenses on staff on deputation	6.60	15.58
	Reimbursement received for other expenses incurred	71.50	58.20
	Reimbursement paid for CAMS charges	0.11	0.08
	Dividend received	180.00	45.00
	Clearing and Settlement charges paid	710.92	487.43
	Contribution to Core SGF	4.00	-
	Closing balance (Credit)/Debit	(44.11)	(34.43)

Name of the Related Party	Nature of Transactions	For the year ended 31.03.2023	For the year ended 31.03.2022
NSE Investments Limited	Space and Infrastructure usage charges received	0.08	0.11
	Reimbursement received for expenses on staff on deputation	1.65	1.84
	Reimbursement received for other expenses incurred	0.44	0.05
	Dividend Received	653.28	175.53
	Closing balance (Credit)/Debit	0.48	0.69

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi

*Chairman*

DIN: 00110996

Date: May 15, 2023

## ANNEXURE 2 TO BOARD'S REPORT

### NATIONAL STOCK EXCHANGE OF INDIA LIMITED

#### Policy for Nomination and Appointment of Directors, KMPs and Senior Management

##### 1. Introduction

National Stock Exchange of India Limited (hereinafter referred to as "NSE" or "the company") is governed by the Companies Act, 2013 and Rules notified thereunder, the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as "SCR (SECC) Regulations, 2018") including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges.

Pursuant to Section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SCR (SECC) Regulations, 2018, the Board of Directors of NSE is mandated to constitute a Nomination and Remuneration Committee which shall, amongst other things, formulate the criteria for determining qualifications, positive attributes and independence of a Director and criteria for identifying persons who may be appointed in senior management and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. Accordingly, NSE has constituted a Nomination and Remuneration Committee. This Policy lays down the broad guideline for nomination and appointment of Directors and Senior Management.

##### 2. Objective

The objectives of this Policy are:

- a. The Company aims to achieve a balance of merit, experience and skills amongst its Directors and Senior Management.
- b. To institute processes that enables the identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel / Key Management Personnel and/or in senior management. The NRC shall recommend to the Board of Directors the appointment of Directors, KMPs under the Companies Act and Senior Management Personnel and their removal. The appointment of KMPs under SECC Regulations shall be approved by the NRC.
- c. To formulate the criteria for identifying the persons who are qualified to become directors and such persons who

may be appointed as the Senior Management Personnel of the Company.

- d. To determine the composition of the Board of Directors.
- e. To determine the qualifications, positive attributes and independence of a director and
- f. To ensure Board Diversity and implementation of succession planning in the Company.

##### 3. Definitions

- i. "Policy" means this "Nomination Policy."
- ii. "Nomination and Remuneration Committee" or "the Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.
- iii. "Board of Directors" or "Board" shall mean the collective body of directors of NSE.
- iv. "Director" means a director appointed to the Board of NSE.
- v. "Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and listing Regulations.
- vi. "Public Interest Director" means an independent director as defined under SCR (SECC) Regulations, 2018.
- vii. "Shareholder Director" means a non-executive director as defined under SCR (SECC) Regulations, 2018.
- viii. "Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation – For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of

the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

- ix. “Key Managerial Personnel / Key Management Persons” means as defined under Section 2(51) of the Companies Act, 2013 and/or as per Regulation 2 of SCR (SECC), Regulation, 2018.
- x. The term “Senior Management” means officers / personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer. This will include the KMP’s under the Companies Act, 2013 and those identified by the NRC from time to time.
- xi. “Whole-time director” includes a director in the whole-time employment of the company;

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, Listing Regulations and SCR (SECC) Regulations 2018 or other relevant provisions as may be applicable.

#### 4. Interpretation:

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy.

#### 5. Parameters for recommending a candidate for appointment as Director

When recommending a candidate for appointment as Director, the Committee will have regard to the following qualifications and positive attributes:

- i. the appointee should satisfy the ‘fit & proper criteria’ as stipulated under SCR (SECC) Regulations, 2018 (refer Annexure A) and other requirements as prescribed by SEBI from time to time.
- ii. assessing the appointee against a range of criteria which includes, but not be limited to, qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;
- iii. the extent to which the appointee is likely to

contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company; in case of Senior Management their contribution towards the effectiveness of the organization as a whole would be considered;

- iv. the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee’s ability to exercise independent judgment;
- v. the ability of the appointee to represent the company;
- vi. ability to work individually as well as a member of the Board and with the senior management;
- vii. influential communicator with power to convince others in a positive way;
- viii. ability to participate actively in deliberation and group processes;
- ix. have strategic thinking and facilitation skills;
- x. act impartially keeping in mind the interest of the company on a priority basis;
- xi. Personal specifications:
  - Educational qualification;
  - Experience of management in a diverse organization;
  - Interpersonal, communication and representational skills;
  - Demonstrable leadership skills;
  - Commitment to high standards of ethics, personal integrity and probity;
  - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- xii. Enrollment of name in the Databank for the position of Independent Director / PID, being maintained by the Indian Institute of Corporate Affairs at Manesar to qualify as an Independent Director.
- xiii. While evaluating the candidature of an Independent Director, the Committee shall review the criteria for determining Independence as stipulated under the Companies Act 2013, Listing Regulations and other applicable regulations or guidelines.
- xiv. The Committee takes a broad perspective with respect to Independence and takes into consideration not only the dealings, transactions, relationships with the

concerned Individual Director but also with relatives, entities and organizations affiliated with it.

- xv. The Committee, along with the Board, regularly reviews the skill, characteristics required from the Board & Individual Directors. One of the prime objectives of this exercise is to identify competency gaps in the Board and make suitable recommendations. The objective is to have a board of diverse background and experience in business, technology, governance and areas that are relevant for NSE.
- xvi. Besides considering all other qualifications with regards to talent, relevant professional experience, proven track record of performance and achievement, ethics and integrity, ability to bring in fresh and independent perspectives, sector specific experience and expertise, the Committee objectively evaluates whether an individual can dispassionately discharge the statutory functions of a Director as enshrined in the Companies Act 2013, SCR (SECC) Regulations, 2018 and Listing Regulations.

With respect to the selection of the Managing Director & CEO, the Management shall ensure that no applicant is invited for an interview for the post of Managing Director & CEO unless the applicant has obtained necessary clearance / No objection certificate from the requisite authorities, wherever required, in view of SEBI letter dated September 7, 2021 regarding the policy for the appointment of the Managing Director of MIIs.

## 6. Guiding factors to be considered while appointing PIDs

- a. Qualification in the area of law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets.
- b. At least one person shall be inducted having experience and background in finance/ accounts who may preferably be inducted in the audit committee.
- c. Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.
- d. Persons who are likely to have interested positions in commercial contracts and affairs of stock exchanges, may preferably be excluded. Persons who are regular speculators in the market or are a director on the board of the Promoter entity of the Stock Exchange or Clearing Corporation, shall be excluded.

## 7. Composition of the Board

The Board of NSE shall include:

- a. Shareholders Directors
- b. Public interest Directors; and,
- c. Managing Director & CEO.

Besides taking into account provisions as specified in the Articles of Association, applicable provisions contained in the Companies Act and Rules made thereunder and Listing Regulations, the Committee shall also take into account the following while deciding the composition of the Board and its size: -

- The number of public interest directors shall not be lesser than the number of shareholder directors.
- The managing director shall be included in the category of shareholder directors.
- The Managing Director of the Company shall not
  - (a) be a shareholder or an associate of a shareholder of a recognised stock exchange or recognised clearing corporation or shareholder of an associate of a recognised stock exchange or recognised clearing corporation, as the case may be
  - (b) be a trading member or a clearing member, or his associate and agent, or shareholder of a trading member or clearing member or shareholder of an associate and agent of a trading member or a clearing member
- Any employee of a recognised stock exchange or recognised clearing corporation may be appointed on the governing board in addition to the managing director and such director shall be deemed to be a shareholder director.
- Chairperson shall be elected by the Governing Board from amongst the Public interest Directors and shall be subject to the prior approval of SEBI.
- No trading member or clearing member, or their associates and agents, shall be on the Board. The exceptions / exemptions in this regard shall be as stipulated in the SCR SECC Regulations, 2018, from time to time.
- No foreign portfolio investor shall have any representation in the Board.
- The Public Interest Director shall be eligible to become a shareholder director only after a cooling-off period of 3 years after ceasing to be a Public Interest Director.

## 8. Term/Tenure

### a. Managing Director/Whole-time Director

- i. The Company shall appoint or re-appoint any person as its Managing Director for a term not exceeding 5 (five) years at a time. The Managing Director may be appointed for a maximum of two terms not exceeding five years each, subject to an age limit of sixty-five years.
- ii. No re-appointment shall be made earlier than 1 (one) year before the expiry of the term.
- iii. The appointment and tenure of the Managing Director would be governed by the applicable provisions of the Companies Act, 2013 and SECC Regulations, as may be mandated by SEBI from time to time.

### b. Public Interest Director

- i. A Public Interest Director shall be nominated for a fixed term of 3 (three) years on the Board and for such extended period as may be approved by SEBI, subject to performance evaluation as provided in the Board Evaluation Policy and subject to the maximum age limit of seventy-five years.
- ii. At the time of appointment of the Public Interest Director, it shall be ensured that number of boards on which such Public Interest Director shall serve is restricted to 7 (seven) listed companies as a Public Interest Director.
- iii. The appointment and tenure of the Public Interest Director would be governed by the applicable provisions of the Companies Act, 2013 and as may be mandated by SEBI from time to time.
- iv. Shareholders' approval shall not be necessary for the appointment of PID.

### c. Shareholder Director

The appointment and tenure of the Shareholder Director would be governed by the applicable provisions of the Companies Act and as may be mandated by SEBI from time to time. The Shareholder Director shall be liable to retire by rotation.

- i. The appointment of a Shareholder Director who has attained the age of 75 years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

## 9. Evaluation

The NRC shall by itself or through the Board or an independent external agency as prescribed in the Board Evaluation Policy, evaluate the performance of the Board/Committee(s), Individual Directors and Chairman at a regular interval (yearly) and review implementation and compliance.

## 10. Board Diversity

The Board shall consist of such number of Directors, including at least one woman Independent Director, as is necessary to effectively manage the Company of its size. The Board shall have an appropriate combination of executive and Non-Executive Directors. The Committee will lead the process for Board appointments. All Board appointments will be based on meritocracy in the context of the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. NSE believes that increased diversity in the Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

## 11. Familiarization Program for Directors

The Company shall provide an orientation to new Directors and continuing education/training to all its Directors and shall periodically provide materials or briefing sessions for all Directors on subjects that would assist them in discharging their duties. Each new Director shall spend reasonable time for briefings by senior management on the Company's operations, its material subsidiaries, strategic plans, its financial statements, its key policies and practices and other details as may be desired by the Director. The Company shall provide at least seven days of training to every public interest director each year.

## 12. Criteria for appointment of KMPs and Senior Management

The following attributes shall be taken into consideration for selecting suitable candidates for appointment as senior management:

- i. The KMPs and Senior Management should satisfy the "Fit and Proper Person" criteria as prescribed by SCR (SECC) Regulations, 2018 (Refer Annexure A);
- ii. Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other qualities as may be required to operate successfully in the position;
- iii. Contribution towards the effectiveness of the organisation as a whole;

- iv. the ability of the appointee to represent the company;
- v. ability to work individually as well as part of the team of senior management;
- vi. influential communicator with power to convince other in a positive way;
- vii. ability to participate actively in deliberation and group processes;
- viii. have strategic thinking and facilitation skills;
- ix. act impartially keeping in mind the interest of the company on a priority basis;
- x. Profile shall include:
  - Educational qualification;
  - Experience of management in a diverse organization;
  - Interpersonal, communication and representational skills;
  - Demonstrable leadership skills;
  - Commitment to high standards of ethics, personal integrity and probity;
  - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

The Management from time to time shall identify the level, designation and names of Key Management/Managerial Persons under SCR (SECC) Regulations, 2018 & Companies Act and / or persons who forms part of Senior Management and recommend the same to Nomination & Remuneration Committee for its approval. The Managing Director is empowered to identify the candidates in the Senior Management in terms of the criteria prescribed herein and recommend their appointment to the Committee.

### 13. Guidelines for appointment of KMPs

- a) Appointment of MD & CEO does not fall under the scope of this process and will be governed by the SEBI defined process for the same.
- b) The NRC upon the recommendations of the MD & CEO

and Group Head Human Resources shall periodically review and consider the list of Key Managerial Personnel segmented under:

- (i) due for retirement (within 1 year).
  - (ii) organization readiness to mitigate risks on account of attrition, capability gaps and performance of the role holder.
  - (iii) The NRC shall also consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/Regional Office(s).
- c) The MD & CEO and Group Head HR would be responsible to identify roles, designations & levels to be considered as KMP and recommend to the NRC for review and approval.

### 14. Succession Planning

The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for key executives as may be identified from time to time. The abovementioned criteria may be applied for such identification and evaluation.

### 15. Amendment

Any amendment or modification in the Companies Act, 2013, SCRA, 1956, SCR (SECC) Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which include Listing Regulations) and any other applicable provision relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.

### 16. Disclosure

This policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and Listing Regulations and the salient features of the policy, if any, shall be disclosed in the Board's report.

### 17. Review of the policy

This Policy shall be reviewed once a year to ensure that it meets the regulatory requirements or latest industry practice or both and the changes shall be placed in the NRC and the Board.

## ANNEXURE A

### Fit and proper criteria under SECC Regulations

A person shall be deemed to be a fit and proper person if:

- A. such person has a general reputation and record of fairness and integrity, including but not limited to:
  - i. financial integrity;
  - ii. good reputation and character; and
  - iii. honesty;
- B. such person has not incurred any of the following disqualifications:
  - i. the person, or any of its whole-time directors or managing partners, has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against the securities laws;
  - ii. an order for winding up has been passed against the person;
  - iii. the person, or any of its whole-time directors or managing partners, has been declared insolvent and has not been discharged;
  - iv. an order, restraining, prohibiting or debarring the person, or any of its whole time directors or managing partners, from dealing in securities or from accessing the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the expiry of the period specified in the order has not elapsed;
  - v. any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the order has not elapsed;
  - vi. the Board has initiated recovery proceedings under the SEBI Act, 1992 and are pending;
  - vii. the person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
  - viii. the person is financially not sound or has been categorised as a wilful defaulter; and
  - ix. any other disqualification as specified by SEBI.
- C. If any question arises as to whether a person is a fit and proper person, the Board's (i.e. SEBI's) decision on such question shall be final.

## ANNEXURE 2 TO BOARD'S REPORT NATIONAL STOCK EXCHANGE OF INDIA LIMITED Remuneration Policy

### 1. Introduction

National Stock Exchange of India Limited (hereinafter referred to as "NSE" or "the company") is governed by the Companies Act, 2013 and rules notified thereunder: the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as "SCR (SECC) Regulations, 2018") including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges. Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that the Nomination and Remuneration Committee shall recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees. Regulation 27 of the SCR (SECC) Regulations, 2018 mandates that the Compensation Policy for the Key Management Personnel of Stock Exchange shall be in accordance with the norms specified by SEBI.

### 2. Definitions

- i. "Policy" means this Remuneration Policy.
- ii. "Nomination and Remuneration Committee" or "Committee" shall mean a Committee of Board of NSE, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.
- iii. "Board of Directors" or "Board" shall mean the collective body of directors of NSE.
- iv. "Director" means a director appointed on the Board of NSE.
- v. "Public Interest Director" means an Independent Director, representing the interests of investors in the securities market and who is not having any association, directly or indirectly, which in the opinion of the Securities and Exchange Board of India ("SEBI"), is in conflict with his role.
- vi. "Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.
- vii. "Managing Director" means a director who, by virtue of the articles of a company or an agreement with the

company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation: For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management.

- viii. "Whole-time director" includes a director in the whole-time employment of the company.
- ix. "Key Managerial Personnel (KMP)"
  - A. **Under Companies Act, 2013 means**
    - a. Managing Director or Chief Executive Officer ("CEO") or Manager;
    - b. Company Secretary;
    - c. Whole-time Director;
    - d. Chief Financial Officer; and
    - e. Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
    - f. such other officer as may be prescribed.

#### B. Under SCR (SECC) Regulations, 2018:

Key Management Personnel includes a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of the department(s) in the recognised stock exchange or the recognised clearing corporation, or any person who directly reports to chief executive officer or to the director on the governing board of the recognised stock exchange or recognised clearing corporation, or any person upto two levels below the chief executive officer or managing director, or any other person as may be identified by its Nomination and Remuneration Committee.

- x. **“Senior Management”** under Companies Act means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. “Senior Management” under SEBI (Listing Obligations and Disclosure Requirements), 2015 mean officers / personnel of the Exchange who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer. It may include such persons identified by the NRC / Board from time to time in terms of the Companies Act, 2013 and Listing Regulations.
- xi. **“Other Employees”** means any person (other than KMPs under the Companies Act and SECC Regulations and Senior Management Personnel) employed to work full time on the payrolls of the Company.

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, listing regulations and SCR (SECC) Regulations, 2018 or other relevant provisions; as may be applicable.

### 3. Interpretation

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy.

### 4. Objectives

The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

The objectives of this policy are:

- a. To lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;
- b. To assist the Board on the determination of remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;
- c. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- d. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- e. To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### 5. Remuneration of Directors, KMP and Senior Management:

- i. The remuneration / compensation etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation, etc. shall be subject to the approval of the shareholders of the Company and SEBI, wherever required. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. The requirements, if any, prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors, KMP and Senior Management.
- ii. The remuneration / compensation to be paid to the KMP shall be approved by the Committee. For KMP's under Companies Act, 2013, it shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. For KMP's under SCR (SECC) Regulations, 2018, the requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to them which shall be determined by the Committee. For those Senior Management, the compensation payable shall be recommended by the Committee to the Board for its approval.
- iii. The Committee shall lay down the remuneration policy of the Company from time to time in accordance with market practice and the Company philosophy subject to SEBI norms, as may be applicable.
- iv. The annual compensation shall consist of a fixed component and a variable component. The variable component shall not exceed one third of the total pay in respect of KMPs under SCR (SECC) Regulations, 2018. This shall however not be applicable to the other employees.
- v. The Group Head HR will obtain compensation approval from the MD & CEO and the NRC before extending the final offer to the selected candidate.

- vi. 50% of the variable pay in respect of the KMPs in respect of each financial year shall be paid to the KMP concerned on completion of 3 years from the last date of the respective financial year, which will be kept invested in fixed deposits till final payment, if any and paid to the employee concerned with accrued interest if and when the final payment is made. However, as a malus arrangement, the said amount or any part thereof along with accrued interest as per fixed deposit rate for the applicable period in respect of a financial year may be prevented from being paid by the NRC, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned KMP intentionally causing financial loss to the company.
- vii. The KMPs are also covered under a claw back arrangement under which the NRC may require a KMP to return previously paid in full or vested remuneration partially or fully including the interest earned (if any), after providing an opportunity of being heard to the concerned KMP, under the following circumstances namely fraud, misfeasance, misappropriation and intentionally causing financial loss to the company. The claw back is exercisable within a period of three years from the end of the financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.
- viii. ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel in terms of SCR (SECC) Regulations, 2018.
- ix. The following factors shall be considered while fixing compensation package for the KMPs:
  - a. Role and responsibilities,
  - b. Performance, potential, qualification, experience, expertise,
  - c. Market benchmark / comparable to the industry standards,
  - d. Size and complexities of operation,
  - e. Financial condition and health of the Company - revenues, net profit,
  - f. Average levels of compensation payable to employees in similar ranks,
  - g. periodic review, etc.
- x. Incentive to take excessive risks over the short term shall be discouraged.
- xi. The Managing Director & CEO and Group Head - Human Resources will be responsible for execution of the compensation strategy, practices and plan (covering both fixed pay and variable pay) for the other Employees in line with the compensation policy.

#### 6. Remuneration criteria for Managing Director & CEO

The remuneration / compensation, if any, etc. of the Managing Director & CEO shall be subject to the approval of the NRC, Board and Shareholders of the Company, wherever required, under applicable laws.

#### 7. Remuneration criteria for Independent Directors/ Public Interest Directors / Non- Executive Directors

The Independent Directors/ Public Interest Directors / Non-Executive Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof. The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.

#### 8. Amendment

Any amendment or modification in the Companies Act, 2013, SCR (SECC) Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which include Listing Regulations) and any other applicable provision relating to the remuneration / compensation / commission, etc. shall automatically be applicable to this Policy.

#### 9. Disclosure

This policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and Listing Regulations and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

#### 10. Review of the policy

This Policy shall be reviewed once a year to ensure that it meets the regulatory requirements or latest industry practice or both. The changes made to the Policy shall be placed before the NRC and the Board for approval.

## ANNEXURE 3 TO BOARD'S REPORT

### PERFORMANCE EVALUATION CRITERIA

#### Criteria for performance evaluation of the Board, its Committees, Individual Directors, the Chairperson and PIDs

#### I. Guiding principles for performance evaluation of the Board

##### A. Governance related

- Corporate Governance standards adopted by the Board such as board composition, board diversity etc. and its implementation.
- Understanding roles and responsibilities of Directors.
- Code of conduct and Ethics and adherence thereto.
- Independence of Board functioning.
- Commitment to highest ethical standards of integrity and probity.
- Implementation and periodic review of policies and procedures for risk management, financial controls and statutory / regulatory compliance.
- Number and adequacy of meetings, discussion on strategic matters having substantial effect on the functioning of the Company.
- Accountability for decisions taken.
- Stakeholder relationship management.
- Adequacy on flow of information to the Board.

##### B. Business related

- Understanding of the objectives, values, vision and business of the Company.
- Provision of entrepreneurial leadership.
- Setting up of Company's strategic aims and financial goals.
- Guidance to drive financial and business performance of the Company and periodic review of the same.
- Ensuring necessary financial and human resource support to achieve Company's objectives.
- Strategic and business risk evaluation, assessment and timely action.

##### C. Others

- Board processes for ensuring optimum size, composition, diversity and delegation of authority.

- Adequate reporting mechanism to stakeholders and redressal of their grievances.
- Engagement with the executive management (formal or informal) on issues/concerns having effect on the Company's functioning.

#### II. Guiding principles for performance evaluation of Committees

In addition to the principles stated above for evaluation of Board to the extent applicable to the respective committee, following may be taken into consideration for performance evaluation of Committees:

- Constructive recommendations made by the Committee(s) to the Board may also be kept in mind.
- Engagement with executive management (formal or informal) on information required by the Committee to effectively discharge its statutory responsibilities.

#### III. Guiding principles for performance evaluation of individual Directors

The individual director's performance may be largely evaluated based on his/her level of participation and contribution to the performance of Board/Committee(s) in respect of the above areas.

- Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in independent and objective manner.
- Understanding of objectives, values, vision and business of the Company.
- Level of participation and devotion of time to Board meetings and Committee meetings, if any.
- Skills, knowledge, experience, application of subject matter expertise.
- Adherence to Code of Conduct and Code of Ethics of the Company.
- Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement.

- Engagement with executive management for efficient discharge of responsibilities.

### III A - Managing Director and Chief Executive Officer:

- Long-term vision for the Company and business acumen.
- Entrepreneurial leadership to the Company and its business segments and setting up of strategic vision.
- Clear understanding of Company's business, industry dynamics, competitive trends including global trends and inherent business and operational risks.
- Willingness to experiment and adopt innovative strategies for changing the Company's business landscape.
- Execution of policies and procedures put in place by the Board.

### IV. Guiding principles for performance evaluation of Chairperson

In addition to the above, the following principles may be kept in mind while evaluating the performance of the Chairman:

- Efficient leadership qualities and determination of delivery of the Company's strategy.
- Ensuring adequate flow of information to all Directors on any issue where a decision is required.
- Enhancing of Company's image in dealings with major stakeholders.
- In-depth knowledge of the industry and business.
- Enjoys trust and confidence of Board members.
- Ensuring that every Board member has an opportunity to be heard and to present his/her views without any constraint.
- Encouragement to Independent Directors to bring diverse perspectives on the table.
- Ensuring that Directors are fully informed as possible on any issue where decision is required.

### V. Guiding principles for performance evaluation of the PID's

- Qualifications:** The PID's qualification in area of law, finance, accounting, economics, management, administration or another area relevant to the financial markets, including any recent updates in this regard.
- Experience:** The PID's prior experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets, including any recent updates in this regard.

### c. Knowledge and Competency:

- Whether the PID has sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.
- Whether the PID has sufficient understanding of the role, responsibilities and obligations of PID under the relevant regulatory norms.
- How the PID fares across different competencies as identified for effective functioning of Board of the concerned MII.
- Whether the PID has sufficient understanding of the risk attached with the business structure.

### d. Fulfilment of functions:

- Whether the PID understands and fulfils the functions as assigned to him/her by the Board and the regulatory norms.
- Whether the PID gives views and opinion on various regulatory matters when comments are invited by SEBI through various means.

### e. Ability to function as a team:

- Whether the PID is able to function as an effective team- member.
- Whether the PID listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.
- Whether the PID shares good interpersonal relationship with other directors.

### f. Initiative:

- Whether the PID actively takes initiative with respect to various areas.
- Whether the PID insists on receiving information necessary for decision making.
- Whether the concerned PID keeps himself well informed about the functioning of MII and the external environment in which it operates.
- Whether the PID remains updated in terms of developments taking place in regulatory areas.
- Whether the PID has identified any important issues concerning any matter which may involve conflict of interest for the concerned MII, or may have significant impact on their functioning, or may not be in the interest of securities market, and whether the PID reported same to SEBI.

- Whether the PID appropriately deals with critical matters.

**g. Availability and attendance:**

Whether the PID is available for meetings of the Board and attends the meeting of Governing Board and Committees regularly and timely, without delay. It must be ensured that the concerned PID hasn't remained absent for three consecutive meetings of the governing board and has attended seventy five per cent of the total meetings of the governing board in each calendar year; failing which the PID shall be liable to vacate office.

**h. Commitment:** Whether the PID is adequately committed to the Board and the MII.

**i. Contribution:**

- Whether the PID has contributed effectively to the entity and in the Board meetings.
- Whether the PID participates in the proceedings of Board meetings keeping in mind the interests of various stakeholders.
- Whether the PID actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.

**j. Integrity:**

- Whether the PID demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
- Whether the PID strictly adhere to the provisions of the SEBI SECC Regulations, 2018 and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.

- Whether disclosures such as dealing in securities and other regulatory disclosures are provided by the PID on timely basis.

- Confirmation on the PID being a Fit & Proper person.

- Confirmation that the PID doesn't disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of directors or required under the applicable laws.

**k. Independence:**

- Whether the PID is independent from the entity and the other directors and there is no conflict of interest.
- Confirmation as to non-association of the PID with relevant MII and its member.
- Whether the PID keeps regulators informed of material developments in the concerned MIIs functioning, from time to time.

**l. Independent views and judgment:**

- Whether the PID exercises his/ her own judgment and voices opinion freely.
- Whether the PID's participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.
- Whether the PID raises his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.
- Whether the PID is committed to ensure that there is fairness and integrity in MIIs system, in letter as well as spirit.

While carrying out performance evaluation as above, the Board may take into account the inputs received, if any, from the review by Independent Directors.

## ANNEXURE 4 TO BOARD'S REPORT

### ANNUAL REPORT OF THE CSR ACTIVITIES FOR FY 2022-23

NSE Group understands that the economic and social well-being of the community is closely interlinked to their habitats and the environment. NSE Group therefore strives to integrate triangulated focus to improve the quality of life of its identified beneficiaries towards creating inclusive societies, while meeting its social, economic and environmental responsibilities. CSR activities is one way in which the NSE Group reaches the triple-disadvantaged sections of society, which is undertaken through the NSE Foundation.

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on March 05, 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group Companies as mandated under the Companies Act, 2013. Based on the Schedule VII in Section 135 of the Companies Act 2013, NSE Group has currently identified eight CSR areas as issues of concern to be addressed in the developmental landscape in India to be undertaken through NSE Foundation, a Section 8 Company. They are i) Primary Education, ii) Elder Care, iii) Safe Drinking Water & Sanitation, iv) Health & Nutrition, v) Environment Sustainability, vi) Skill Development & Entrepreneurship, vii) Funding of incubators in academic institutions and other agencies and viii) Disaster Relief and Rehabilitation.

The NSE Group CSR programmes seek to impact the most disadvantaged sections of the community by undertaking long-term impactful programmes with a strong emphasis on the behaviour change activities which are embedded in the programme design. The key change indicators in every programme strive to align with the nation's social development goals and the larger global sustainable development goals.

In addition to the focal areas of social intervention, a number of CSR activities such as environmental awareness, nature trails, blood donation camps, visits to the project sites etc. which engage and motivate employees to be socially responsible are undertaken by the employees of NSE Group.

1. A brief summary of the projects is given in the table below:

Description	Counts
No. of states where programmes are undertaken	5
No. of districts	10
No. of projects	39
No. of beneficiaries directly impacted by the programmes	9,00,000+
Local partners	27
Focus sectors	8

2. Composition of CSR Committee:

Sr. No	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year#	Number of Meeting of CSR Committee attended during the year
1	Shri Veneet Nayar	Chairman, Shareholder Director	5	5
2	Prof. S. Sudarshan	Independent Director	5	5
3	Shri Ashishkumar Chauhan*	Managing Director & CEO	4	4
4	Shri Vikram Limaye**	Managing Director & CEO	1	1

\*Inducted in the Committee w.e.f July 30, 2022

\*\*Ceased to be member of the Committee w.e.f July 16, 2022

#Meetings held during the tenure of the Director

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company [https://www1.nseindia.com/global/content/about\\_us/NSE\\_CSR\\_Policy.pdf](https://www1.nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable Report Enclosed.

Impact assessments were undertaken by third party assessment agencies (selected via the due vendor governance process of NSEIL) for concluded projects of NSE Group CSR. Through the assessments, agencies have evaluated the objectives of the programmes and the effective completion of the same. The programmes which underwent assessment have catered to the most marginalised communities and tribal populations in various parts of the country. The projects belong to the focus areas of Primary Education (3), Safe Drinking Water & Sanitation (9), Elder Care (1) and Disaster Relief & Rehabilitation (1). The list of impact assessments is summarised below:

Sl. No.	Project Name	Focus Area	Location	Brief Project Description
1.	Alokito Shoishab (Enlightened Childhood)	Primary Education	Rajnagar-Birbhum	This programme was designed to work towards enhancing student learning outcomes in 118 government schools. The aim of the project was to bring students (6-10 years) to their age-appropriate competency levels primarily in English, Bengali and Mathematics.
2.	Prajwala- Education	Primary Education	200+ KGBVs of Rajasthan	This state wide education programme was undertaken in 200 Kasturba Gandhi Balika Vidyalayas (KGBVs) of Rajasthan to improve the quality education in both literacy and numeracy for girl students.
3.	Prajwala- Education	Primary Education	200+ KGBVs of Madhya Pradesh	This programme was implemented in 207 Kasturba Gandhi Balika Vidyalayas (KGBVs) of Madhya Pradesh, to improve the quality education for girl students in all 52 districts of Madhya Pradesh.
4	Swaccho Nirapad Parivesh	Safe Drinking Water & Sanitation	Rajnagar Block-Birbhum District	This WaSH programme aimed to retrofit sanitation infrastructure in 98 schools, 80 Anganwadi centres (AWCs) and 3 Primary Health Centres (PHCs). The retrofitting work also laid special emphasis on creating menstrual health-friendly infrastructure at schools. Along with retrofitting, capacity-building and awareness-generation activities were also undertaken among the representatives of gram panchayats, students, teachers, members of the school development committees, workers at the AWCs and the communities.
5	Everyone Forever - Water Services and Systems Strengthening	Safe Drinking Water & Sanitation	Rajnagar & Khoyrasol Blocks-Birbhum District	Under this programme water points were installed in 98 schools, 80 AWCs and 89 villages to facilitate the access of safe drinking water to 31,180 beneficiaries. 7 mini piped water systems were also installed under the programme as a model in 7 villages spread across the two blocks, facilitating water supply to the households of the beneficiaries.
6	Swaccho Nirapad Parivesh-II	Safe Drinking Water & Sanitation	Khoyrasol Block-Birbhum District	Under this WaSH programme, sanitation infrastructure at schools and the AWCs were augmented to ensure running water and improved sanitation. As part of software components, formation and strengthening of child cabinets and school development committees was undertaken in schools. The members of the Village Water and Sanitation Committees were capacitated to discharge their duties effectively and support O&M of the programme.

Sl. No.	Project Name	Focus Area	Location	Brief Project Description
7	Prajwala- Promoting WaSH Compliant KGBVs	Safe Drinking Water & Sanitation	200+ KGBVs of Rajasthan	With the aim of making 200 Kasturba Gandhi Balika Vidyalayas (KGBVs) in Rajasthan 'WaSH compliant', this project focused on functional toilets/urinals, strengthened safe drinking water access, clean surroundings and basic information and adaptation of critical hygiene practices.
8	Prajwala- Swachh Balika, Swachh Vidyalaya	Safe Drinking Water & Sanitation	200+ KGBVs of Madhya Pradesh	This programme was implemented in 207 Kasturba Gandhi Balika Vidyalayas (KGBVs) of Madhya Pradesh, to improve the two key components, hardware (infrastructural repairs and renovations) and software (awareness on safe hygiene practices) for girl students in all 52 districts of Madhya Pradesh.
9	Ensuring Sustainable Drinking Water Safety and Security in the identified Schools and Habitations	Safe Drinking Water & Sanitation	Nandurbar, Maharashtra	This project was undertaken to address the need for access to safe drinking water in all seasons across 20 habitations (Nandurbar and Navapur blocks, Nandurbar district) through solar mini piped water supply scheme. This would also include innovative methods for storage by community engagement in planning and implementation. Additionally, the project ensured water supply in Schools and Anganwadis. This project was a demonstration of the Swajal scheme of the Govt. of India. The project intervention also involved setting up of solar based piped water supply system in 15 habitations and strengthening the existing water supply scheme in 5 habitations of Navapur Block in Nandurbar district.
10	Technical Assistance for implementing Community led village water safety & security (VWSS) and its mainstreaming in Jal Jeevan Mission	Safe Drinking Water & Sanitation	Karauli District Rajasthan	This project was a demonstration in alignment with the Jal Jeevan Mission (JJM) through community engagement in planning and implementation to address the need for access to safe drinking water in all seasons in 20 habitations. It was implemented in partnership with Public Health and Engineering Department (PHED) to ensure the sustained availability of safe and secured water supply in the selected villages.
11	Promoting Sustainability of WaSH facilities and Child Centered Governance in the Schools of Rameswaram Island	Safe Drinking Water & Sanitation	Rameswaram Island, Ramanathapuram	This school WaSH (Water, Sanitation and Hygiene) programme was initiated to enhance the access to clean and safe drinking water, toilets and other WaSH facilities to ensure a disease-free environment in government schools in the Rameswaram island of Tamil Nadu.
12	Building Water Security for Green Rameswaram	Safe Drinking Water & Sanitation	Rameswaram Island, Ramanathapuram	This water security programme was initiated to enhance access to safe drinking water and water among other uses, to build water security among the communities in Rameswaram island of Tamil Nadu.

Sl. No.	Project Name	Focus Area	Location	Brief Project Description
13	Disha- Sustainable livelihood by way of providing skill training and employment / self-employment for rural elderly men and women from Birbhum, West Bengal	Elder Care	Rajnagar Block, Birbhum District, West Bengal	This project aimed at training the rural elderly in two specific occupations: beekeeping (apiculture) and the production of neem oil and neem cake. These two activities do not involve extensive physical labour thus were chosen by the senior citizens as options for income generation activities for economic independence. These activities were intended to help build the elders' financial security, self-esteem, and a social circle – all of which were identified as crucial components to lead a dignified life.
14	Project to mitigate effects of Cyclone Gaja	Disaster Relief	Nagapattinam and Thanjavur districts, Tamil Nadu	This project was implemented to address the devastating impact of Cyclone Gaja in 30 schools of Nagapattinam and Thanjavur districts in close coordination with the Government. The programme focused on sanitation hardware repair & restoration and software activities such as awareness sessions on health and hygiene.

As required by Rule 8(3) of the Companies (CSR Policy) Rules 2014 and amendments thereunder, the link of the respective impact assessment reports is as under:

Link- Click Here <https://www.nseindia.com/investor-relations/other-disclosures>

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No	Financial Year	Amount available for set-off from preceding financial years (₹ in Crs.)	Amount required to be setoff for the financial year, if any (₹ in Crs.)
1	2022-23	Nil	Nil

6. Average net profit of the company as per section 135(5): ₹31,12,39,17,000
7. (a) Two percent of average net profit of the company as per section 135(5): ₹62,24,78,340
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year: Nil.
- (d) Total CSR obligation for the financial year (7a+7b+7c): ₹62,24,78,340
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹31,12,39,171	₹31,12,39,170	March 31, 2023	N.A.	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for FY:

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District			
1	Phase-1: Integrated Energy Monitoring and Management System for a Large Commercial Complex towards 100% Renewable Energy Utilization	Research (Environmental Sustainability)	No	Tamil Nadu	Chennai	3	4,24,08,776	1,35,89,844
2	Innovative Medical Devices for Affordable Healthcare	Funding of Incubators	Yes	Maharashtra	Mumbai	3	3,87,29,476	-
3	Hyperlocal air pollution monitoring using mobile monitoring for Gurugram and Mumbai	Funding of Incubators	No	Tamil Nadu	Chennai	3	2,45,28,668	46,78,551
4	Creating a Learning Culture	Primary Education	Yes	Maharashtra	Mumbai	3	1,80,73,755	74,59,422
5	Strengthening WaSH In Municipal Schools Of Ahmedabad	Primary Education & Sanitation & Safe Drinking Water	Yes	Gujarat	Ahmedabad	3	2,78,20,673	79,91,914
6	Supply Installation Testing Commissioning Implementation And Delivery Of The Turnkey Project	Health and Nutrition	Yes	Jammu and Kashmir	Srinagar	1	6,78,41,132	-
7	EQUIP: THIRUPULLANI PROJECT (EDUCATION QUALITY IMPROVEMENT PROJECT)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	1,87,19,247	81,83,801
8	Serving and Enriching Education to Under- privileged Tribal Children in Talode Block of Nandurbar District	Primary Education	No	Maharashtra	Nandurbar	3	1,39,42,611	41,12,826
9	Gram Samrudhi'- Community Led Climate Smart Initiatives, to Safeguard Local Livelihood and Environment at Dhadgaon and Akkaikuva, tribal blocks in Nandurbar district of Maharashtra	Environmental Sustainability	No	Maharashtra	Nandurbar	3	3,22,74,563	46,17,374
10	Foundational Learning Enhancement In Primary Grades [I-V] In Government Schools In Hindaun Block Of Karauli District Rajasthan	Primary Education	No	Rajasthan	Karauli	3	2,45,28,668	70,31,018
11	SCORE [Sustainable Conservation of Water Resources Through Enabling] Community- led Development	Environmental Sustainability	No	Tamil Nadu	Ramanathapuram	3	1,93,64,738	55,33,900
12	Creating Enablers For ODF Sustainability	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	2,07,84,819	83,02,586
13	Sustainable Community ODF Program at Ramanathapuram Block, Ramnathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	2,38,83,177	23,90,846
14	Technical Support Unit to Mainstream Elder Collectives	Elder Care	No	Pan India	Pan India	2	1,45,23,553	23,60,182
15	Robotic Solutions for cleaning of Septic Tanks	Funding of Incubators	No	Tamil Nadu	Chennai	1	77,45,895	3,09,765
16	Project- Student Teacher Empowerment Program (Step) Plus	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,63,36,043	51,61,545
17	CAVACH- COVID relief activities	Disaster Relief and Rehabilitation	No	Pan India	Pan India	1	11,90,28,589	2,33,34,061
18	Rehli Shiksha Pahal Program (RSPP)	Primary Education	No	Madhya Pradesh	Sagar	5	1,96,87,483	18,75,378
19	Wash Scale Up Initiative Swaccho - Nirapad Parivesh (Clean And Safe Environment)	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	2,66,58,789	1,12,17,759

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District			
20	To provide sustainable livelihood by way of providing construction Skill training and employment / self-employment for Rural Youth from Nandurbar, Maharashtra.	Skill Development and Entrepreneurship	No	Maharashtra	Nandurbar	3	65,19,462	16,17,091
21	Sahaj Path: Bridging Learning gaps of students in government primary schools of Dubrajpur block of Birbhum district, West Bengal	Primary Education	No	West Bengal	Birbhum	3	2,51,74,159	56,19,935
22	Promotion Of Swachh And Swasth Hindaun Block Of Karauli District In Rajasthan	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	2,90,47,107	21,67,019
23	Ankuram Foundational Learning Enhancement in Primary Grades [I-V] in Government Schools in Todabhim block of Karauli district Rajasthan	Primary Education	No	Rajasthan	Karauli	3	2,90,47,107	82,46,003
24	Atikranta-An initiative towards transformation	Primary Education & Sanitation & Safe Drinking Water	Yes	West Bengal	Kolkata	3	2,77,56,124	72,01,642
25	Strengthening Primary Health care services in Kiphire District in Nagaland by managing Mobile Medical Unit (MMU) & Government PHC	Health and Nutrition	No	Nagaland	Kiphire	3	1,67,82,773	21,00,787
26	Rice fortification for better nutrition outcomes in the State of Nagaland	Health and Nutrition	No	Nagaland	Nagaland	2	2,58,19,650	14,17,895
27	SWIFT Growth (Sustainable Water Institutions for Tangible Growth)	Environmental Sustainability	No	Tamil Nadu	Ramanathapuram	3	3,02,73,540	64,35,609
28	Sustainable springshed and agriculture development in Kiphire district in Nagaland	Environmental Sustainability	No	Nagaland	Kiphire	3	3,55,02,019	66,71,203
29	ShikshaDeep Prakaipa-II: Creating sustainable community-led SLCs (Supplementary Learning Centres)	Primary Education	No	West Bengal	Birbhum	3	1,74,92,813	34,62,249
30	Integrated Solid and Liquid Waste Management	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	1,67,82,773	2,33,752
31	Water, Agriculture and Food Security (WAFS) Project in Bogalur and Mudukulathur Blocks of Ramanathapuram District	Environmental Sustainability	No	Tamil Nadu	Ramanathapuram	4	4,79,60,001	55,64,964
32	Empower Women and Girls - for improving Maternal, Child and Adolescent Health and Nutrition	Health and Nutrition	No	Rajasthan	Karauli	3	2,96,92,598	34,03,091
33	NSE Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya	Primary Education	No	Rajasthan	Karauli	3	2,90,47,107	32,92,728
34	The project interventions in Chennai will be titled "NSE Foundation Urban Learning Improvement Program"	Primary Education	Yes	Tamil Nadu	Chennai	3	1,60,08,183	22,51,024
35	An initiative to support healthy ageing in the rural communities	Elder Care	No	Rajasthan	Karauli	3	1,93,64,738	53,20,226
36	Suswasthya Strengthening health and nutrition services for women, children and adolescents in Khoyrasol Block of Birbhum and upscaling the best practices in other 18 blocks through capacity building and advocacy	Health and Nutrition	No	West Bengal	Birbhum	3	2,58,19,650	86,96,213
37	Creating And Enabling A Learning Environment For Academic Excellence	Primary Education	Yes	New Delhi	New Delhi	3	1,61,37,282	59,75,367

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District			
38	'Integrated Safe Drinking Water Project in partnership with Jal Jeevan Mission [JJM] in Nandurbar'	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	7,74,58,951	13,65,434
39	Technical support to 2 Aspirational Districts (Karauli, and Ramanathapuram) for effective implementation of Jal Jeevan Mission and Swachh Bharat Mission	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	4,84,11,845	72,82,480
40	Shradha – Towards Active And Healthy Ageing	Elder Care	No	Maharashtra, Telangana, West Bengal & Bihar	Yavatmal, Nalgonda, Purbi Midnapore & Supaul	5	3,55,66,569	41,54,469
41	Aalambana – Towards Active and Healthy Ageing	Elder Care	No	West Bengal, TamilNadu & Rajasthan	Birbhum, Ramanathapuram & Karauli	4	8,78,51,361	1,08,02,444
42	Making Mandrail Block of Karauli district as Open Defecation Free Sustainable Block through School, AWC and Community centered Sanitation & Safe Drinking Waterinterventions	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	1,65,24,576	75,22,428
43	Implementation of Karadi Path Magic English SLL programme for improving English proficiency of students from Zilla Panchayat Primary Schools in selected blocks in Nandurbar District, Maharashtra.	Primary Education	No	Maharashtra	Nandurbar	3	7,10,04,039	1,56,77,461
44	Project Shiksha Setu	Primary Education	No	Maharashtra	Nandurbar	3	3,15,64,523	1,08,11,543
45	Healthcare Access To Geriatric Population Through Technology	Elder Care	No	Tamil Nadu & Maharashtra	Ramanathapuram & Nandurbar	3	4,46,67,995	1,20,14,882
46	Drinking water kiosks with fluoride and desalinity remediation	Sanitation and Safe Drinking Water	No	Tamil Nadu & West Bengal	Ramanathapuram & Birbhum	2	3,04,67,188	63,07,229
47	Solid and Liquid Waste Management strategy and implementation for Nandurbar district in coordination with the district administration	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	2	1,93,64,738	19,72,254
48	Project 'Vidya'	Primary Education	No	Maharashtra	Nandurbar	3	2,25,92,194	26,73,648
49	JALDHARA: Integrated Water, Sanitation and Hygiene (WASH) interventions in Nandurbar, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	2,78,20,673	13,51,367
50	Pilot Initiative on Comprehensive Elderly Care Programme in Nandurbar district by operationalising the National Programme for Health Care of Elderly (NPHCE) scheme of the Government.	Elder Care	No	Maharashtra	Nandurbar	2	71,00,404	11,10,437
51	Project Samarthya: Elderly Care programme(55 Years+) in Nandurbar district, Maharashtra	Elder Care	No	Maharashtra	Nandurbar	3	2,90,47,107	74,84,512
52	Bhu-Jal Dhara (A Livelihood Improvement Project Through Integrated Watershed Development)	Environmental Sustainability	No	Rajasthan	Karauli	4	3,22,74,563	8,98,978
53	Improving language and numeracy skills of 8,139 children in primary and upper primary schools of Mandrail block in Karauli district of Rajasthan State	Primary Education	No	Rajasthan	Karauli	3	1,59,43,634	40,16,698
54	Sustainable Environment & Livelihoods through Soil & Water Conservation and Improving Soil Health.	Environmental Sustainability	No	Rajasthan	Karauli	3	3,78,90,337	74,14,908

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District			
55	Akshara: Learning Centers for Primary Children in Rameswaram	Primary Education	No	Tamil Nadu	Ramanathapuram	3	80,68,641	7,84,577
56	Samrakshana: Building Resilience among the Senior Citizens in Green Rameswaram	Elder Care	No	Tamil Nadu	Ramanathapuram	3	2,03,32,975	1,32,299
57	Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.	Primary Education	No	Rajasthan	Karauli	3	1,86,33,396	7,89,173
58	ShikshaDeep Prakaalpa	Primary Education	No	West Bengal	Birbhum	3	1,89,12,894	16,21,410
59	Promotion of Tiruppullani as Swachh and Swasth Block.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	2,90,47,107	1,57,725
60	Girl child educate programme	Primary Education	No	West Bengal	Purulia and Bankura	5	3,58,24,765	15,79,667
61	Rebuilding Schools Affected by Nisarga Cyclone	Disaster Relief and Rehabilitation	No	Maharashtra	Ratnagiri	1	90,36,878	8,18,356
62	Assam Flood Response 2020 Restoration of WASH in Schools	Disaster Relief and Rehabilitation	No	Assam	Jorhat and Golaghat	1	1,29,09,825	26,64,205
63	Project Alokito Shoishab (Enlightened Childhood)	Primary Education	No	West Bengal	Birbhum	3	1,44,60,295	10,02,076
64	CDD Society (Consortium for DEWATS Dissemination Society)	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	1	16,13,728	8,30,962
65	Promoting WASH Compliant Ashramshala, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nashik	3	7,70,71,657	6,11,280
66	Swachh Vidyalaya, Swachh Aadat	Sanitation and Safe Drinking Water	No	Jharkhand	Dumka and Pakur	3	1,76,21,911	16,50,650
67	Creating Disaster Resilient and Child Friendly Model Schools in Odisha	Disaster Relief and Rehabilitation	No	Odisha	Puri	1	1,07,79,704	21,43,856
68	Nse Foundation Covid Response- Through Supply Of Medical Equipment To JJ Group Of Hospitals	Health and Nutrition	Yes	Maharashtra	Mumbai	1	2,58,19,650	3,14,055
69	Project EQUIP (Education QQuality Improvement Project)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,55,61,454	17,13,961
70	Sustainable Community ODF Program in Mandapam Block, Ramanathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	2,04,62,073	5,26,429
71	Project Praiwala- Wash Compliant KGBVs (MP)	Sanitation and Safe Drinking Water	No	Madhya Pradesh	All Districts	3	4,12,58,001	6,43,906
72	NSE Foundation-Impact India Foundation's (IIF) Lifeline Express - Hospital on Train project.	Health and Nutrition	No	West Bengal	Birbhum	1	96,82,369	9,27,984
73	Building Water Security for Green Rameswaram	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	2	98,11,467	9,89,916
74	'Disha'- Sustainable livelihood by way of providing Skill training and employment / self-employment for Rural Elderly Men and Women from Birbhum, West Bengal.	Elder Care	No	West Bengal	Birbhum	2	1,98,81,131	9,33,227

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District			
75	Jal Samarthyaa- Technical assistance for implementing Village Water Safety and Security (VWSS) in selected villages from Mandrail and Sapotra blocks of Karauli district, Rajasthan and its mainstreaming in Jal Jeevan Mission.	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	2	2,71,10,633	19,66,783
76	Skill Mitra And Udyog Mitra Model For Livelihood In Two Blocks Of Ramanathapuram (Tamilnadu)	Skill Development and Entrepreneurship	No	Tamil Nadu	Ramanathapuram	3	2,71,10,633	9,58,232
77	National Initiative For Skill Training On Dementia And Mental Health For Caregivers Of Older Persons (Nist-Demcope)	Skill Development and Entrepreneurship	No	Tamil Nadu	Ramanathapuram	1	96,82,369	51,106
78	Project for ODF sustainability in Nandurbar	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	2,25,27,645	3,96,590
79	National Helpline for Senior Citizens (NHSC) with the Ministry of Social Justice and Empowerment (MoSJE), Government of Telangana, National Institute of Social Defence (NISD) and other State Governments.	Elder Care	No	17 states in phase-I	All Districts	1	1,37,48,964	13,509
80	Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based Sanitation & Safe Drinking Waterinterventions.	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	2,01,39,327	2,18,434
81	Public Health Recovery and Restoration (including Drinking Water and Sanitation) in Disaster (Flood) Affected Districts of Maharashtra (Technical collaboration with UNICEF)	Disaster Relief and Rehabilitation	No	Maharashtra	Kolhapur & Sangli	1	1,08,44,253	14,989
82	Everyone Forever - Water Services and Systems Strengthening: Rajnagar and Khoyrasol Blocks of Birbhum District in West Bengal	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	3,42,11,037	58,338
<b>Total</b>								<b>32,52,02,436</b>

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on March 05, 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group Companies as mandated under the Companies Act, 2013. Upon incorporation of NSE Foundation, the NSE Group companies transferred the unspent CSR obligations upto March 31, 2018 to NSE Foundation. The amount spent above includes part of this unspent amount that was transferred to NSE Foundation.

(C) Details of CSR amount spent against other than ongoing projects for the financial year:

- (i) Amount spent in Administrative Overheads: ₹1,55,61,959/-
- (ii) Amount spent on Impact Assessment, if applicable: ₹62,24,783/-
- (iii) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹34,69,89,178/-
- (iv) Excess amount for set off, if any – Not applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2021-22	Nil	Nil	N.A.	Nil	N.A.	Nil

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil

- (a) Date of creation or acquisition of the capital asset(s). Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset. Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. Nil
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

In the year under report, ₹62,24,78,340/- being the amount required to be spent to implement the Corporate Social Responsibility Policy of the Company, ₹31,12,39,171/- has been spent on various ongoing CSR projects.

The CSR Committee and Board has approved a project for building a Cancer OPD and multispecialty hospital block with Advanced Centre for the Treatment, Research and Education in Cancer, Navi Mumbai as an ongoing project over a period of 3 financial years.

Accordingly, the balance amount of ₹31,12,39,170/- has been transferred to unspent CSR account as per the provisions of Sec 135(6) of the Companies Act, 2013.

**AshishKumar Chauhan**  
*Managing Director & CEO*

**Veneet Nayar**  
*(Chairman CSR Committee)*

Date: May 15, 2023

## ANNEXURE 5 TO BOARD'S REPORT

### REPORT ON CORPORATE GOVERNANCE

#### I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

National Stock Exchange of India Limited (NSE) believes in adopting and adhering to the best Corporate Governance practices and continuously benchmarking itself against such practices. NSE has focused on good governance practices and endeavors to improve the same in the corporate landscape. For the information of its stakeholders, NSE is furnishing this Report on Corporate Governance for FY ended March 31, 2023.

NSE has rigorously stood by the core principles of corporate governance and considers integrity, transparency, fairness, accountability and adherence to the law as the pillars of its business practices. Thus, for NSE, Corporate Governance is not merely about compliance with legislations but also about commitment to values, principles, ethical business conduct and transparency by ensuring honest and professional business practices and establishing an environment of trust and confidence among stakeholders. NSE has infused the philosophy of corporate governance into all its activities. The philosophy on corporate governance is an important tool for stakeholder protection and maximization of long-term value. With regards to the same, the Company has prepared 'Integrated Report (IR) for the year 2022-23'. IR is focused on showing the connectivity of the Company's strategic objectives, risk and performance, both financial as well as non-financial, to demonstrate its commitment towards value creation for its stakeholders.

#### II. BOARD OF DIRECTORS

##### A. Composition of the Board and Category of Directors

NSE has a broad-based Board of Directors, constituted in accordance with Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and SECC Regulations.

Pursuant to the SECC Regulations, the Governing Board of NSE includes Public Interest Directors, Shareholder Directors and Managing Director such that the number of Public Interest Directors is not lesser than the number of Shareholder Directors with the Managing Director being included in the category of Shareholder Director. Public Interest Director is an Independent Director representing the interests of investors in the securities market and who does not have any association directly or indirectly, which in the opinion of SEBI, is in conflict with his role.

Directors of a recognised Stock Exchange are required to be "fit and proper persons" at all times.

As on March 31, 2023, the Board of NSE comprised of 8 Directors of which 5 are Public Interest Directors and 3 are Shareholder Directors including the Managing Director & CEO as under:

Name of Director	Category of Directorship
Shri Girish Chandra Chaturvedi	Chairman & Public Interest Director
Shri Ashishkumar Chauhan	Managing Director & CEO
Shri K. Narasimha Murthy	Public Interest Director
Prof. S. Sudarshan	Public Interest Director
Smt. Mona Bhide	Public Interest Director
Shri S. Ravindran	Public Interest Director
Shri Veneet Nayar	Shareholder Director
Shri Bishnu Charan Patnaik*	Shareholder Director

None of the Directors of your Company hold any shares in the Company and are not inter-se related to each other. However, Shri Veneet Nayar is the settlor of VSAV Family Trust & SVAV Family Trust and Trustee of Anuvin Family Trust which holds 1,50,000 equity shares, 2,50,000 equity shares and 51,613 equity shares respectively.

Changes during the year and till the date of this report:

- Smt. Sunita Sharma ceased to be a Shareholder Director from the Board of NSE consequent to retirement by rotation at the 30th AGM held on July 12, 2022.
- Shri Vikram Limaye ceased to be a MD & CEO of NSE consequent to completion of his tenure on July 16, 2022.
- Shri Ashishkumar Chauhan assumed office as MD & CEO on July 26, 2022, following SEBI's approval vide its letter dated July 14, 2022.
- SEBI vide its letter dated September 08, 2022, approved the nomination of Shri Bishnu Charan Patnaik as a Shareholder Director of the Company and the same became effective from the even date.

*\* Subsequent to year end Shri Bishnu Charan Patnaik resigned as director w.e.f April 29, 2023.*

- Smt. Anuradha Rao ceased to be Public Interest Director from the Board of NSE with effect from

December 16, 2022, Pursuant to SEBI letter of the even date, approving the nomination of Shri S Ravindran as a Public Interest Director of the Company. Shri S Ravindran's appointment became effective from December 17, 2022.

- SEBI vide its letter dated February 15, 2023, approved re-appointment of Prof. S Sudarshan as Public Interest Director on the Company and the same became effective from February 17, 2023.

**Note:**

First term of Shri Girish Chandra Chaturvedi expired on November 07, 2022. Similarly, first term of Shri K Narasimha Murthy & Smt. Mona Bhide expired on February 16, 2023 & April 20, 2023 respectively. Applications for appointment of new PID / reappointment of existing PIDs has been made and approval of SEBI is awaited. However, pursuant to subclause 5 of clause (III) of Part H of Schedule II of SECC Regulation 2018, the existing PIDs continue to hold office till the new PIDs are appointed.

**Managing Director & Chief Executive Officer (MD & CEO)**

The MD & CEO is at the helm of operations and responsible for the Company's day-to-day operations. The MD & CEO functions according to the guidance and direction provided by the Board and provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board and its various Committees.

**NSE Board**

NSE Board comprises of qualified members who bring in the required skills, expertise and competence that allows them to make an effective contribution to the Board and its Committees. The Board members are committed to ensuring that the NSE Board is in compliance with high standards of corporate governance.

The skills / expertise / competencies / positive attributes

etc., that are identified for appointment of a candidate as Director to function effectively, in the context of the business and sector of the Company are:

- Qualifications** - Law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets.
- Experience** - Capital and financial market, financial and management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity market, derivatives market, futures market, equity market, debt market, index, SME Market etc.
- Knowledge** - Understanding and knowledge of the entity and applicable regulatory norms, constructive and analytical decision-making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities and obligations etc.
- Technology** - Technical / Professional skills in relation to Company's business, analysing technological trends, innovation, creative ideas for business, research and innovation, digitization and allied knowledge in the field of science and technology.
- Leadership** - Demonstrable leadership skills, leadership experience with regard to managing a company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communication skills.
- Governance** - Corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics and values, strengthening regulatory functions, protecting shareholder interests, law and other areas relevant to business/sector and industry in which the company operates.

Skill/Expertise in specific functional areas of Board of Directors as on March 31, 2023 are as under:

Skills	Shri Girish Chandra Chaturvedi	Shri Ashishkumar Chauhan	Shri K Narasimha Murthy	Prof. S Sudarshan	Smt. Mona Bhide	Shri S Ravindran	Shri Veneet Nayar	Shri Bishnu Charan Patnaik
Qualifications	√	√	√	√	√	√	√	√
Experience	√	√	√	√	√	√	√	√
Knowledge	√	√	√	√	√	√	√	√
Technology	-	√	-	√	-	-	√	-
Leadership	√	√	√	√	-	√	√	√
Governance	√	√	√	-	√	√	√	-

### Board Diversity

NSE has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board. NSE has ensured the diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture.

### D&O Insurance

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management and other employees for such quantum and for such risks as determined by the Board.

### Chairman of The Board

The Board at its meeting held on December 02, 2019, elected Shri Girish Chandra Chaturvedi, Public Interest Director as Chairman of the Governing Board of NSE to hold office as Chairman of the Board for a period effective from the date of approval from SEBI till the expiry of his term as Public Interest Director on the Board of NSE.

SEBI vide its letter dated December 06, 2019, approved the appointment of Shri Girish Chandra Chaturvedi as the Chairman of the Governing Board of NSE. First term of Shri Girish Chandra Chaturvedi expired on November 07, 2022. Application for appointment of PID in place of Shri Girish Chandra Chaturvedi is submitted to SEBI. Approval for the same is awaited.

The role and responsibilities of the Chairman are as under:

1. All meetings of the Board shall be presided over by the Chairman, if present, but if at any meetings of Directors, the Chairman is not present at the time appointed for holding the same, then in that case the Directors shall choose one of the Public Interest Directors present to preside at the meeting.
2. The Chairman may, unless dissented to or objected by the majority of Directors present at a meeting at which a Quorum is present, adjourn the meeting for any reason, at any stage of the meeting.
3. It would be the duty of the Chairman to check, with the assistance of the Company Secretary, that the meeting is duly convened and constituted in accordance with the Act or any other applicable Guidelines, Rules and Regulations before proceeding to transact business.
4. The Chairman shall ensure that the proceedings of

the Meeting are correctly recorded.

5. The Chairman has absolute discretion to exclude from the Minutes, matters which in his opinion are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or which are detrimental to the interests of the company.
6. The Chairman shall not interfere in the day-to-day functioning of the Company and shall limit his role to decision making on policy issues and to issues as the Governing Board may decide.
7. The Chairman shall abstain from influencing the employees of the Company in conducting their day-to-day activities.
8. The Chairman shall not be directly involved in the function of appointment and promotion of employees unless specifically so decided by the Governing Board.
9. In case any Director requires his views or opinion on a particular item to be recorded verbatim in the Minutes, the decision of the Chairman whether or not to do so shall be final.
10. Minutes of the Meeting of the Board shall be signed and dated by the Chairman of the Meeting or by the Chairman of the next Meeting.

### Board Meetings

#### Schedule of Board / Committee meetings

The dates of the Board / Committee and the Annual General Meeting are proposed in advance prior to the beginning of Financial Year. The annual schedule that is fixed is circulated to all the Directors for information.

The Company Secretary attends all Board meetings and generally assists Directors in the discharge of their duties and also ensures good information flow within the Board and between the Board and Senior Management. In addition, the Company Secretary attends to secretarial and Board governance matters and is responsible for ensuring that Board procedures are followed.

Voting on a resolution in the meeting of the Governing Board is valid only when the number of PIDs that have cast their vote on such resolution is equal to or more than the number of Shareholder Directors who have cast their vote on such resolution.

#### Board agenda

The Board agenda is prepared by the respective department and is finalised in consultation with the MD &

CEO. The Board agenda and notes thereof are ordinarily sent to the Directors in advance to enable them to read and comprehend the matters to be dealt with and seek further information / clarification, if required.

The agenda of the Board meetings is managed in such a way that it allows for flexibility when it is needed. Directors are provided with complete information related to agenda items in a timely manner. Wherever it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted after obtaining permission of the Chairman of the Board/Meeting and with the concurrence of Independent Directors.

The Board has chosen to receive all its agenda papers electronically for all its Board and Committee meetings and has eliminated the need for hard copy of Agenda Papers. However, a hard copy of the Board agenda is provided to the Directors at specific request. The agenda papers for Board and Committee meetings are uploaded onto a secure portal which can be accessed digitally.

At the quarterly Board meetings, the MD & CEO gives a comprehensive update on NSE's business and operations. The CFO presents the financial performance and significant financial highlights. Certain business heads provide an update on their areas of business and Key Management Personnel are present at Board meetings, when required. Agenda also includes minutes of the meetings of all the Board Committees and unlisted subsidiaries for the information of the Board.

For any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board / Committee Meeting for ratification/approval. The Chairpersons of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meeting. Any feedback or observations made by the Board, wherever necessary, form part of the action taken report for their review at the subsequent meetings.

The Company also provides regular updates to Board members on material changes to regulatory

requirements applicable to the Directors and the Group periodically.

The minutes of Board meetings are prepared with details of the matters considered by the Board and are reviewed by the Managing Director before being circulated to the other Directors for their comments.

Following the Board and Committee meetings, an effective post meeting follow-up, review and reporting process is undertaken for the decisions taken by them. Important decisions taken at Board / Committee meetings are communicated promptly to the concerned departments.

#### Number of Board Meetings

The Board of Directors met 9 times during the year as detailed below:

Sr. No.	Date of meeting
1.	April 28, 2022
2.	May 06, 2022
3.	June 06, 2022
4.	July 12, 2022
5.	July 30, 2022
6.	August 11, 2022
7.	November 05, 2022
8.	February 06, 2023
9.	February 07, 2023
10.	March 23, 2023

During the year under review, the total duration of the Board meetings i.e. approximate aggregate number of hours was about 55 hours.(54.35 hrs)

The maximum gap between any two meetings was less than one hundred and twenty days.

#### B. Directors' Attendance Record and Directorships held

As mandated by Listing Regulations, no Director is a member of more than ten Board Committees or acts as Chairperson of more than five such Committees across all entities in which he or she is a Director (see the notes to Table 1). Table No. 1 gives the details of the composition of the Board, attendance and details of Committee Membership(s) and Committee Chairmanship(s) and Table No. 2 gives the details of Names of the listed entities where the person is a Director and the category of Directorship(s).

(1) Details of Directors along with the Directorship(s) and Chairmanship(s) / Membership(s) of Committees in other companies as on March 31, 2023:

**Table No.1**

Name of the Director	Category	Attendance Particulars			No. of Directorship(s) / Chairmanship(s) and Committee Chairmanship(s) / Membership(s)		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairmanship	Other Committee Membership(s)	Other Committee Chairmanship(s)
		Held #	Attended				
Shri Girish Chandra Chaturvedi	Chairman & Public Interest Director	10	10	Y	1	-	-
Shri Ashishkumar Chauhan*	Managing Director & CEO	6	6	NA	3	1	1
Shri K. Narasimha Murthy	Public Interest Director	10	10	Y	7	9	3
Prof. S. Sudarshan	Public Interest Director	10	10	Y	-	-	-
Smt. Mona Bhide	Public Interest Director	10	10	Y	3	1	-
Shri S Ravindran**	Public Interest Director	3	3	NA	-	-	-
Shri Bishnu Charan Patnaik***	Shareholder Director	4	3	NA	4	-	-
Shri Veneet Nayar	Shareholder Director	10	9	N	-	-	-

# Number of Board Meetings held during the tenure of Director.

\* Appointed as Managing Director and CEO w.e.f. July 26, 2022

\*\* Appointed as Public Interest Director w.e.f. December 17, 2022

\*\*\* Appointed as Shareholder Director w.e.f. September 08, 2022, subsequent to year end, ceased to be a Shareholder Director w.e.f. April 29, 2023.

**Note:**

- The Directorship(s) / Committee Membership(s) held by Directors as mentioned above, do not include private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
- Membership(s)/Chairmanship(s) of only the Audit Committee and Stakeholders Relationship Committee of all Public Companies have been considered.
- Shri Girish Chandra Chaturvedi (Chairman of the Board & Chairman of Stakeholders Relationship Committee), Shri Vikram Limaye (erstwhile Managing Director & CEO), Shri K. Narasimha Murthy (Chairman of Audit Committee), Smt. Anuradha Rao (erstwhile Chairperson of Nomination & Remuneration Committee) were present at the Annual General Meeting of the Company held on July 12, 2022.

(2) Names of the listed entities where the Director(s) is a director as on March 31, 2023 and the category of Directorship.

**Table No. 2**

Name of the Director	Name of Listed Entity	Category of Directorship
Shri Girish Chandra Chaturvedi	1. ICICI Bank Limited	Non-Executive - Independent Director
Shri Ashishkumar Chauhan	-	-
Shri K. Narasimha Murthy	1. Nelco Limited	Non-Executive - Independent Director
	2. Max Healthcare Institute Limited	Non-Executive - Independent Director
	3. Max Financial Services Limited	Non-Executive - Independent Director
Prof. S. Sudarshan	-	-
Shri S Ravindran	-	-
Smt. Mona Bhide	1. Vinati Organics Limited	Non-Executive - Independent Director
	2. Datamatics Global Services Limited	Non-Executive - Independent Director
	3. PCS Technology Limited	Non-Executive - Non Independent Director
Shri Bishnu Charan Patnaik	1. Life Insurance Corporation of India	Executive – Managing Director
	2. Indiabulls Housing Finance Limited	Non-Executive - Nominee Director
Shri Veneet Nayar	-	-

**(3) Separation of Offices of Chairman & Chief Executive Officer**

Shri Ashishkumar Chauhan is MD & CEO of your Company. Shri Girish Chandra Chaturvedi, Public Interest Director, is the Chairman of the Governing Board.

### C. Responsibilities of the Board

The responsibilities of the Board include the following:

1. Members of Board of Directors and Key Managerial Personnel shall disclose to the Board of Directors whether they directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the entity.
2. The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
3. Key functions of the Board of Directors: -
  - a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
  - b. Monitoring the effectiveness of the NSE's governance practices and making changes as needed.
  - c. Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning.
  - d. Aligning the remuneration of Key Managerial Personnel and Board of Directors with the longer-term interests of NSE and its shareholders.
  - e. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender on the Board of the Company.
  - f. Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
  - g. Ensuring the integrity of NSE's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
  - h. Overseeing the process of disclosure and communications.
  - i. Monitoring and reviewing Board of Director's evaluation framework.
4. The Board of Directors shall provide strategic guidance to NSE, ensure effective monitoring of the management.
5. The Board of Directors shall set a corporate culture and the values by which executives throughout the group shall behave.
6. Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care and in the best interest of NSE and the shareholders.
7. The Board of Directors shall encourage continuing Director's training to ensure that the members of the Board of Directors are kept up to date.
8. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
9. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
10. The Board of Directors shall exercise objective independent judgement on corporate affairs.
11. The Board of Directors shall consider assigning a sufficient number of non-executive members of the Board of Directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
12. The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.
13. The Board of Directors shall have ability to step back to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus.
14. When Committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.

15. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
16. In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
17. The Board of Directors and Senior Management shall facilitate the Independent Directors to perform their role effectively as a member of the Board of Directors and also as a member of a Committee of Board of Directors.

#### **Induction programme for new Directors and on-going familiarisation programme for existing Directors**

NSE conducts an orientation programme for new Directors so as to familiarise them with the various functions being carried out by NSE. The details of familiarization programmes imparted to Directors are given on NSE's website. Weblink as under: <https://www.nseindia.com/investor-relations/other-disclosures>

NSE also provides training in various fields such as operations, risk management, compliance etc. to Directors regularly. Every Director has the ability to understand basic financial statements and information and related documents/papers.

#### **The regular updates inter-alia provided by NSE to the Board include the following:**

- Annual operating plans and capital and revenue budgets and updates.
- Annual financial statements.
- Quarterly financial results.
- Status report on NSE operations and operations of different segments.
- Minutes of the meetings of Audit Committee, other Committees of the Board and also minutes of the meetings of the Board of all subsidiary companies.
- Details of foreign exchange exposures and the steps taken to limit the risk of adverse exchange rate movements.
- Details of significant transactions and arrangements entered into by material unlisted subsidiaries.
- Other information, which is required to be placed before the Board as per Listing Regulations and SECC Regulations, is taken to the Board as and when required.

A quarterly report on compliance of applicable laws, Rules and Regulations is placed before the Audit

Committee for its review. The Audit Committee reviews the report and gives suggestions for improvement of compliance level/ process, whenever necessary. On its review, a consolidated report is placed before the Board meeting on a quarterly basis.

#### **D. Code of Conduct and Code of Ethics**

A code of conduct for Directors and Senior Management Personnel of NSE has been formulated and all have affirmed compliance with the Code of Conduct. As per the requirement of the Listing Regulations, the Code of Conduct, has been hosted on the website of your Company at the following location: (Weblink: <https://www.nseindia.com/investor-relations/other-disclosures>)

The MD & CEO has affirmed to the Board of Directors that the Code of Conduct has been complied with by the Directors and Senior Management Personnel. A Declaration to this effect, duly signed by the MD & CEO has been obtained and forms part of this annual report.

NSE, being a recognised Stock Exchange as per SECC Regulations, requires every Director and Key Management Personnel to affirm compliance with the Code of Ethics as prescribed by SEBI under Regulation 26 (2) of SECC Regulations. The Code of Ethics of your Company, which has been aligned with the SECC Regulations, is aimed at maintaining professional and ethical standards in the functioning of NSE.

#### **E. Independent Directors / Public Interest Directors (PIDs)**

1. Independent Directors / PIDs on the Board of NSE are not less than 21 years of age and do not hold any shares in NSE.
2. Attributes:  
NSE as a policy inducts only those persons as Independent Directors who possess integrity, experience and expertise, foresight, managerial qualities and ability to read and understand financial statements.
3. Tenure:  
The tenure of Independent Directors / PIDs is in line with the directives issued by SEBI from time to time.
4. Effective performance of functions:  
NSE takes all possible efforts to enable the Independent Directors to perform their functions effectively.

In the opinion of the Board, the Public Interest

Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

The evaluation exercise in terms of Schedule IV of the Companies Act, 2013, was carried out in a separate meeting of Public Interest Directors committee meeting (which comprises of only Independent Directors) held on April 27, 2023, for this purpose. At the Board Meeting, the performance of the Directors was evaluated by the entire Board except the person being evaluated. The performance of the Committees was evaluated by the Board. The Board also carried out the evaluation of their own performance apart from its Committees, Individual Directors and IEPs.

## F. Remuneration of Directors

The compensation paid/payable to the Managing Director & CEO is periodically reviewed and revised to align the same with market levels and at the same time attract, retain and motivate Directors of the quality required to run your Company successfully. The remuneration includes both fixed and variable component.

The terms and conditions of appointment of Public Interest Directors and Shareholder Directors are governed by the provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations, Listing Regulations and the circulars issued thereunder by SEBI. The terms and conditions of service in respect of the Managing Director & CEO of your Company are governed by the resolution passed by the Board of Directors, shareholders, provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations and the circulars issued thereunder by SEBI.

NSE pays only sitting fees to its Non-Executive Directors,

as prescribed under SECC Regulations, 2018. The sitting fee paid to the Non- Executive Directors for attending the Board Meetings is ₹ 1,00,000/- and for the Committee Meetings (other than IPFT) is ₹ 75,000/- per meeting.

As per the terms of appointment, the Non-executive Directors are not eligible for severance pay or notice period. The Managing Director & CEO is not eligible for severance pay. The notice period for the Managing Director & CEO is three months.

SEBI had laid down certain norms in terms of the compensation policy for the Key Management Personnel within the meaning of SECC Regulations which are as under:

- The variable pay component will not exceed one-third of the total pay.
- 50% of the variable pay will be paid on a deferred basis after 3 years.
- ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel.
- Compensation will be subject to malus and claw-back arrangement as per prevailing SEBI/SECC Rules & Regulations.

NSE has framed a Remuneration policy for its Directors, Key Management Personnel and Employees. For details on the Remuneration Policy, please refer to the Annexure 2 to the Directors' Report.

None of the Directors of NSE hold any shares or any convertible instruments of NSE. However, Shri Veneet Nayar is the settlor of VSAV Family Trust & SVAV Family Trust and Trustee of Anuvin Family Trust which holds 1,50,000 equity shares, 2,50,000 equity shares and 51,613 equity shares respectively.

The details of remuneration paid to Managing Director & CEO during FY 2022-23 are given in the following table: -

(₹ Crs.)

Name & Designation	Salary & Allowances	Variable Pay	Perquisites in cash or in kind	Contribution to PF and other Funds	Total
Shri Vikram Limaye <sup>##</sup>	3.36	2.89 <sup>#</sup>	0.01	1.25	7.51 <sup>*</sup>
Shri Ashishkumar Chauhan <sup>###</sup>	5.28	-	0.02	0.35	5.65

<sup>#</sup> Includes Variable pay of ₹ 1.21 Crs. of earlier years. Excludes 50% of the Variable Pay of ₹1.68 Crs. to be paid on deferred basis after 3 years.

<sup>\*</sup> Includes amount paid towards Leave Travel Allowance, Leave Encashment and Gratuity of ₹ 1.98 Crs..

<sup>##</sup> Ceased to be Managing Director and CEO w.e.f July 16, 2022

<sup>###</sup> Appointed as Managing Director and CEO w.e.f. July 26, 2022

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees during the year FY 2022-23 were as follows:

Name	Board meetings		Board Committee meetings		Total (₹)
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Shri Girish Chandra Chaturvedi	10	10,00,000	31	23,25,000	33,25,000
Smt. Anuradha Rao*	7	7,00,000	51	38,25,000	45,25,000
Shri K. Narasimha Murthy	10	10,00,000	49	36,75,000	46,75,000
Prof. S. Sudarshan	10	10,00,000	38	28,50,000	38,50,000
Smt. Mona Bhide	10	10,00,000	55	41,25,000	51,25,000
Smt. Sunita Sharma****	3	3,00,000	6	4,50,000	7,50,000
Shri Veneet Nayar	9	9,00,000	16	12,00,000	21,00,000
Shri B C Patnaik**	3	3,00,000	7	5,25,000	8,25,000
Shri S Ravindran***	3	3,00,000	10	7,50,000	10,50,000

Sitting fees are exclusive of applicable taxes.

**Note:**

\*Ceased to be PID w.e.f. December 16, 2022.

\*\* Appointed as Shareholder Director w.e.f. September 08, 2022, and subsequent to year end resigned and ceased to be Shareholder Director w.e.f April 29, 2023.

\*\*\*Appointed as PID w.e.f. December 17, 2022

\*\*\*\* Ceased to be Shareholder Director w.e.f July 12, 2022

### III. COMMITTEES OF THE BOARD

#### A. Audit Committee

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls, which the management and the Board of Directors have established, financial reporting and the compliance process. The Committee maintains open communication with statutory auditors, secretarial auditors and internal auditors.

NSE has adopted the Audit Committee charter in addition to the statutorily required terms of reference. The charter broadly stipulates the structure, composition, the roles and responsibility of the authority as well as the overall oversight and operational functions of the Audit Committee.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, and the Listing Regulations. Its terms of reference inter alia include the following:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of NSE;

2. Review and monitor the auditor's independence and performance and effectiveness of audit process;
3. Examination of the financial statement and the auditor's report thereon;
4. Granting omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature. Also, granting of approval for any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issues

- with the internal and statutory auditors and the management;
10. Oversight of the financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
  11. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  12. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board of NSE for approval, with particular reference to:
    - a. Matters required to be included in the director's responsibility statement to be included in NSE's Board report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    - b. Changes, if any, in accounting policies and practices and reasons for the same.
    - c. Major accounting entries involving estimates based on the exercise of judgment by management.
    - d. Significant adjustments made in the financial statements arising out of audit findings.
    - e. Compliance with listing and other legal requirements relating to financial statements.
    - f. Disclosure of any related party transactions.
    - g. Modified opinion in the draft audit report, if any.
  13. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  14. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of the public, rights issue and making appropriate recommendations to the Board to take steps in this matter;
  15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  16. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  17. Discussion with internal auditors of any significant findings and follow up there on;
  18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of NSE.
  19. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  20. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  21. To review the functioning of the whistle blower mechanism;
  22. Approval of appointment of the CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
  23. Review of the Secretarial Audit reports and matters connected therewith;
  24. The Audit Committee shall mandatorily review the following information:
    - a. management discussion and analysis of financial condition and results of operations;
    - b. statements of significant related party transactions submitted by management;
    - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d. internal audit reports relating to internal control weaknesses; and
    - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
  25. Carrying out any other function as the Audit Committee may deem fit or as may be assigned by the Board from time to time.

The Audit Committee presently comprises of three Directors viz., Shri K. Narasimha Murthy, Shri Girish Chandra Chaturvedi and Smt. Mona Bhide as its Members with Shri K. Narasimha Murthy as its Chairman.

The Committee met 6 times during the year i.e., on May 05, 2022, July 12, 2022, August 11, 2022, November 04, 2022, February 7, 2023 and March 23, 2023. The details of the attendance of members of the Audit Committee at their meetings held on the above dates are given hereunder: -

Name	Number of meetings held during the year#	Number of meetings attended
Shri K. Narasimha Murthy	6	6
Shri Girish Chandra Chaturvedi	6	6
Smt. Anuradha Rao*	4	4
Smt. Sunita Sharma**	1	1
Shri B C Patnaik ***	3	2
Smt. Mona Bhide ****	2	2

\*Ceased to be Member w.e.f December 16, 2022

\*\* Ceased to be Member w.e.f July 12, 2022

\*\*\* Appointed as Member w.e.f September 29, 2022 and subsequent to year end ceased to be member w.e.f April 29, 2023

\*\*\*\*Appointed as Member w.e.f January 14, 2023

# Number of Meetings held during the tenure of Member

The Officer responsible for the finance function, the representative of the statutory auditors, internal auditors and secretarial auditors are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. Shri K. Narasimha Murthy, the Chairman of the Audit Committee attended the Annual General Meeting held on July 12, 2022.

The maximum gap between any two meetings was less than one hundred and twenty days.

## B. Nomination & Remuneration Committee (NRC)

As per SECC Regulations, the Nomination & Remuneration Committee (NRC) shall consist of Public Interest Directors and shall be chaired by a Public Interest Director. However, Independent External

Person(s) may be part of the Committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the Independent External Persons.

As per requirements of the Companies Act, 2013, NSE is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors. The Chairman of NRC shall be different from the Chairman of the Board. Accordingly, the Board constituted Nomination & Remuneration Committee for the purpose of discharging its functions required under both Companies Act, 2013 and under SEBI Regulations.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, the Listing Regulations and the SECC Regulations. The terms of reference of the Nomination and Remuneration Committee inter-alia include the following:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and for personnel who may be appointed in Senior Management.
2. Identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the Policy and criteria laid down.
3. Selecting the Managing Director.
4. Recommend to the Board appointment and removal of Directors & personnel in Senior Management in accordance with policy and criteria laid down.
5. Recommend on the extension or continuation of the term of appointment of independent director and PID on the basis of performance evaluation of independent directors and PIDs.
6. Identification of Key Management Personnel (KMPs) and determining the tenure of KMPs under SEBI Regulations, other than a director, to be posted in a regulatory department.
7. Recommend to the Board a policy relating to the compensation / remuneration in terms of the compensation norms prescribed by SEBI and remuneration for the directors including MD & CEO, senior management (including key managerial personnel) and other employees so as to attract

and retain best available personnel for position of substantial responsibility with the Company.

8. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
9. Approve variable pay and fixed pay of KMPs under SECC Regulations including Managing Director & CEO and release of variable pay withheld earlier of such KMPs.
10. Formulate the criteria for effective evaluation of performance for Independent Directors, Board of Directors its committees, individual directors and Public Interest Director (PID) and its review thereof; which shall be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
11. Determine the composition of the Board of Directors and addressing issues of Board diversity; devising a policy on diversity of Board of Directors.
12. Ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness.
13. Review, approve and aid the Board in succession and emergency preparedness plan for key executives.
14. Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.

The Nomination and Remuneration Committee presently comprises of 3 Directors viz., Shri K Narasimha Murthy, Shri Girish Chandra Chaturvedi and Prof. S. Sudarshan with Shri K Narasimha Murthy as Chairman.

The NRC had approved the performance ratings, fixation of the variable pay for FY 2022-23 and the remuneration for FY 2023-24 of the KMPs under SECC Regulations and the Senior Management. NRC has laid down performance evaluation criteria for the Board of Directors, Individual Directors (including Independent Directors) and Committees of the Board of Directors. The process for Board Evaluation is given in the Board's Report.

The Committee met 10 times during FY 2022-23, i.e. on April 18, 2022, April 24, 2022, May 05, 2022, May 23, 2022, June 06, 2022, June 15, 2022, July 30, 2022, August 10, 2022, September 6, 2022 and November 04, 2022.

The details of the attendance of members of the NRC at their meetings held on above dates are given hereunder:

Name	Number of meetings held during the year #	Number of meetings attended
Smt. Anuradha Rao**	10	10
Shri Girish Chandra Chaturvedi	10	10
Prof. S. Sudarshan	10	10
Shri K Narasimha Murthy*	-	-

\* Shri K Narasimha Murthy inducted as Chairperson of NRC w.e.f January 14, 2023

\*\* Ceased to be Member w.e.f December 16, 2022.

Smt. Anuradha Rao, erstwhile Chairperson of the Nomination and Remuneration Committee attended the Annual General Meeting held on July 12, 2022.

# Number of Meetings held during the tenure of Member

### C. Stakeholders Relationship Committee (SRC)

The Committee besides discharging the function of approving share transfers and deciding on any matter incidental to or connected with the transfer, also discharges the function of redressal of shareholder grievances like transfer of shares, non-receipt of Annual report, non-receipt of declared dividends etc.

#### The role of SRC includes:

1. To review the status of redressal of grievances / correspondences / complaints which may include complaints related to conduct of the general meetings, transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, redemption of bonds / debentures, non-receipt of interest, Bonus shares / Right shares / IPO shares, any other grievances related to the shares / bonds / debentures issued to the security holders of the Company, as may be applicable.
2. To review process related to transfer/transmission of securities and delegate, as appropriate, the authority to approve transfers / transmission of securities and related documentation to be submitted to R&TA / Depository(ies) related to transfer of shares.
3. To review the adherence to the service standards and standard operating procedures adopted by the Company in respect of various services being rendered and review of work done by the Registrar & Share Transfer Agent to its shareholders.

4. To review the various measures/ initiatives taken by the Company, inter-alia for process related to transfer / transmission of securities, reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrant/ annual report/ Notice of General Meetings by the shareholders of the Company and recommend measures to further enhance the service standards for the benefit of the security holders of the Company.
5. To review measures taken for effective exercise of voting rights by shareholders (including foreign shareholders).
6. To review the status of litigations that may have been filed by the Company against security holders of the Company or filed by security holders against the Company.
7. To consider and review such other matters, as the Committee / Board may deem fit, from time to time.

The SRC presently comprises of three Directors viz., Shri Girish Chandra Chaturvedi, Shri Veneet Nayar and Shri Ashishkumar Chauhan as its members with Shri Girish Chandra Chaturvedi as its Chairman.

Shri Rohit Gupte, Company Secretary of NSE is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations.

The Committee met once during the year, i.e. on May 30, 2022.

The details of the attendance of members of the SRC at their meetings held on above dates are given hereunder:

Name	Number of meetings held during the year#	Number of meetings attended
Shri Girish Chandra Chaturvedi	1	1
Shri Ashishkumar Chauhan*	-	-
Shri Bishnu Charan Patnaik**	-	-
Shri Veneet Nayar	1	1
Shri Vikram Limaye***	1	1
Smt. Sunita Sharma****	1	1

# Number of Meetings held during the tenure of Member.

\*Inducted as a member w.e.f. July 30, 2022

\*\* Inducted as a member w.e.f. September 29, 2022 and ceased to be a member w.e.f. April 29, 2023 pursuant to his resignation as Director.

\*\*\* Ceased to be a member w.e.f. July 16, 2022

\*\*\*\* Ceased to be a member w.e.f. July 12, 2022

Shri Girish Chandra Chaturvedi, Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting held on July 12, 2022 to answer shareholders' queries.

#### Details of complaints received and resolved during the financial year:

Number of complaints received and resolved during the financial year are as under:

Opening Balance	Received during the year	Resolved during the year	Pending Complaints
Nil	Nil	Nil	Nil

All queries were resolved to the satisfaction of shareholders of the Company.

#### D. Risk Management Committee (RMC)

The RMC reviews the adequacy and efficacy of the Risk Management Framework on an ongoing basis.

##### The role of RMC includes:

1. Responsible for approving and monitoring the Enterprise Risk Framework.
2. Responsible for approving Risk Management Policies and recommending the same to the Board for its approval.
3. Responsible for approving the Risk Measurement Framework and recommending the same to the Board for its approval.
4. Re-assess Risk Management Policies and Risk Measurement Framework at least on an annual basis based on the change in business strategy, regulation, macroeconomic environment or competitive practices.
5. Review output of Risk Measurement Framework on a periodic basis and suggest corrective/remedial Risk Mitigation actions as the case may be.
6. Review the status of Cyber Security Implementation on a periodic basis.
7. Review Cyber Security Incidents on a periodic basis.

The RMC monitors the implementation of the risk management policies and keeps the Governing Board informed about its implementation and deviation, if any.

The RMC met 5 times during the year i.e. on May 05, 2022, June 01, 2022, August 10, 2022, November 04, 2022 and February 02, 2023.

Presently, the RMC comprises of Prof. S. Sudarshan, Shri K. Narasimha Murthy, Shri S Ravindran and Shri Abhijit Sen (Independent External Person) as its Members with Shri S Ravindran as its Chairman.

The details of the attendance of members of the RMC at their meeting held are given hereunder: -

Name	Number of meetings held during the year#	Number of meetings attended
Smt. Mona Bhide*	4	4
Prof. S. Sudarshan	5	5
Shri K. Narasimha Murthy	5	5
Shri S. Ravindran **	1	1
Shri Abhijit Sen	5	4

\* Ceased to be member w.e.f January 14, 2023

\*\* Inducted as a member w.e.f. January 14, 2023

# Number of Meetings held during the tenure of Member

Shri Somasundaram K S, the Chief Enterprise Risk Officer & Head - Business Excellence of NSE reports directly to the Risk Management Committee and the Managing Director & CEO of NSE and attends all the meetings of RMC.

### E. Corporate Social Responsibility (CSR) Committee

The Committee was constituted, inter-alia, to formulate and recommend to the Board a CSR Policy, to recommend the amount of expenditure to be incurred on the activities and to monitor the CSR Policy of NSE from time to time.

#### The role of CSR includes:

1. Identifying / approving the areas of CSR activities.
2. Recommending / approving the amount of expenditure to be incurred on the identified CSR activities.
3. Formulate and recommend to the Board for approval, an Annual Action Plan in pursuance of the CSR Policy which shall include:
  - a) the list of CSR projects or programmes approved to be undertaken in the selected core focus areas.
  - b) manner of execution of such projects or programmes.
  - c) modalities of utilization of funds.

- d) implementation schedules for the projects or programmes.
- e) monitoring & reporting mechanism for the projects or programmes.
- f) approve and recommend the details of need & impact assessment (if applicable) for the projects undertaken by the Company provided that the Board may alter such plan at any time during FY, as per the recommendation of its CSR Committee, based on a reasonable justification to that effect.

4. Implementing and monitoring the CSR policy from time to time.
5. Monitoring the progress of the program implementation as per CSR policy of the Company.
6. The Committee shall formulate and recommend the CSR Group Policy to the Board for approval.
7. The Committee shall monitor the policy from time to time and report the progress of the implemented projects to the Board.
8. The Committee shall approve or ratify the proposed or implemented projects.
9. The Committee shall recommend the amount of expenditure to be incurred on such activities.
10. Report to the Board, the manner of utilization of the annual CSR budget in pursuance of the CSR policy, unspent funds or excess spend towards CSR projects.
11. The Committee shall constitute transparent monitoring mechanism for ensuring implementation of CSR programmes.
12. The Committee will meet on periodic basis or as and when required.

The Committee presently consists of Shri Veneet Nayar, Shri Ashishkumar Chauhan and Prof. S. Sudarshan as its Members with Shri Veneet Nayar as Chairman of the Committee. Shri Vikram Limaye ceased to be a member w.e.f July 16, 2022.

The Committee met 5 times during the year, i.e. on May 05, 2022, August 10, 2022, November 04, 2022, January 17, 2022 and March 22, 2023.

The details of the attendance of members of the CSR

Committee at their meetings held on above dates are given hereunder: -

Name	Number of meetings held during the year#	Number of meetings attended
Shri Veneet Nayar	5	5
Shri Vikram Limaye*	1	1
Prof. S. Sudarshan	5	5
Shri Ashishkumar Chauhan **	4	4

\*\* Inducted as a Member w.e.f July 30, 2022

\* Ceased to be a Member w.e.f. July 16, 2022

# Number of Meetings held during the tenure of Member.

Smt. Rema Mohan is the Head – CSR and attends all the meetings of CSR Committee.

#### F. In addition to Committees covered above, the other Committees include:

##### i. SEBI mandated Committees

##### 1. Member and Core Settlement Guarantee Fund Committee (MCSGFC)

The MCSGFC presently comprises of 5 members viz., Smt. Mona Bhide, Public Interest Director, Shri K. Narasimha Murthy, Public Interest Director, Shri S Ravindran, Public Interest Director, Shri Ranganayakulu Jagarlamudi, Independent External Person and Shri Ashishkumar Chauhan, Managing Director & CEO with Smt. Mona Bhide as its Chairperson.

The brief description of terms of reference of the MCSGFC are as under:

1. To scrutinise, evaluate, accept or reject applications for admission of members and transfer of membership and approve the voluntary withdrawal of membership.
2. Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as a defaulter, expulsion, to be taken for various violations by the members of the Exchange.
3. Based on the laid down policy, consider the cases of violations observed during the inspection, etc., and impose appropriate regulatory measures on the members of the Exchange.

4. While imposing the regulatory measure, the Committee shall adopt a laid down process based on the 'Principles of natural justice.'
5. Realise all the assets / deposits of the defaulter/expelled member and appropriate the same amongst various dues and claims against the defaulter / expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange.
6. In the event both the clearing member and the constituent trading member are declared defaulters, then the membership selection Committee of the stock exchange and that of the clearing corporation shall work together to realise the assets of both the clearing member and the trading member.
7. Admission or rejection of claims of client/trading members/clearing members over the assets of the defaulter/expelled member.
8. Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise.

##### 2. Standing Committee on Technology (SCOT)

The Standing Committee on Technology presently comprises of 6 members viz. Prof. S. Sudarshan, Public Interest Director, Shri Veneet Nayar, Shareholder Director, Shri S Ravindran, Public Interest Director, Shri Girsh Chandra Chaturvedi, Public Interest Director, Prof. Manindra Agarwal, Independent External Person and Dr. Lalitesh Katragadda, Independent External Person with Prof. S. Sudarshan as its Chairman.

The brief description of terms of reference of the SCOT are as under:

1. Monitor whether the technology used remains up to date and meets the growing demands of the markets.
2. Monitor the adequacy of systems capacity and efficiency.
3. To look into the changes being suggested by the Exchange to the existing software/ hardware.
4. Investigate into problems of computerised trading system, such as hanging/ slowdown/ breakdown.

5. Ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Online Trading System.
6. Submit a report to the Governing Board, who shall deliberate on the report and take suitable action/ remedial measure.
7. Explain any stoppage beyond five minutes and report to the Board. The Exchange shall also issue a press release specifying the reasons for the breakdown.
8. Review the implementation of Board approved cyber security and resilience policy and its framework.
9. SCOT to apprise and update the NSE Board on a half yearly basis.
10. Such other matters as may be referred by the Governing Board of exchange and/or SEBI.
11. Such other matters as may be referred in SEBI circulars / notifications / guidelines, as applicable, from time to time.

### 3. Advisory Committee

Advisory Committee presently comprises of 13 members. Shri Girish Chandra Chaturvedi acts as its Chairman.

The main role of Advisory Committee is to advise the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies.

### 4. Regulatory Oversight Committee

The Regulatory Oversight Committee presently comprises of 3 members, viz. Shri S. Ravindran, Public Interest Director, Smt. Mona Bhide, Public Interest Director, Shri V G Kannan, Independent External Person with Shri S Ravindran being the Chairman of the Committee.

The terms of reference of the Regulatory Oversight Committee is as under:

1. Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
2. Oversee SEBI inspection observations on membership related issues.
3. Estimate the adequacy of resources dedicated to member regulation.

4. Oversee matters related to listing of securities such as admission of securities for trading, suspension/ revocation, etc.
5. Oversee SEBI inspection observations on listing related issues.
6. Estimate the adequacy of resources dedicated to listing related function.
7. Oversee trading and surveillance related functions such as monitoring of market through order and trade level alerts, security level alerts, processing of alerts, price band changes, rumour verifications, shifting of securities to trade for trade segment, action against listed companies as a part of Surveillance Action, detailed investigations undertaken, disciplinary actions, etc., as may be applicable to the relevant segments of the Exchange.
8. Oversee SEBI inspection observations on surveillance related issues and also decisions taken in the periodic surveillance meeting at SEBI.
9. Estimate the adequacy of resources dedicated to trading and surveillance function.
10. Oversee matters related to product design and review the design of the already approved and running contracts.
11. Oversee SEBI inspection observation on Product Design related issues.
12. Estimate the adequacy of resources dedicated to Product Design related function.
13. Review the actions taken to implement the suggestions of SEBI's Inspection Reports, place the same before the Governing Board of the Stock Exchange.
14. To follow up, ensure compliance / implementation of the inspection observations.
15. Supervising the functioning of the Investors Services Cell of the Exchange, which includes a review of the complaint resolution process, review of complaints remaining unresolved over a long period of time, estimating the adequacy of resources dedicated to investor services, etc.
16. Supervise Investor Service Fund, including its utilization.

17. Annual review of arbitrators and arbitration awards (both quantum and quality of the awards).
18. Lay down procedures for the implementation of the Ethics Code.
19. Prescribe reporting formats for the disclosures required under the Ethics Code.
20. Oversee the implementation of the code of ethics.
21. Periodically monitor the dealings in securities of the Key Management Personnel.
22. Periodically monitor the trading conducted by firms/ corporate entities in which the Directors hold twenty percent or more beneficial interest or hold a controlling interest.
23. Monitor implementation of SECC Regulations and other applicable Rules and Regulations along-with SEBI Circulars and other directions issued thereunder.
24. Review the fees and charges levied by the Exchange.
25. The head(s) of department(s) handling the above matters shall report directly to the Committee and also to the Managing Director. Any action against the head(s) of department(s) shall be subject to an appeal to the Committee, within such period as may be determined by the Governing Board.

#### 5. Grievance Redressal Committee

Grievance Redressal Committees are formed at regional level. The function of Grievance Redressal Committee includes dealing with the complaints referred to it by the Stock Exchange, hearing the parties and resolving their complaints.

#### 6. Public Interest Director Committee

As per SEBI Circular dated January 10, 2019 and as per the Code of Conduct of PIDs provided in SECC Regulations 2018, the PIDs are required to meet separately every six months which is required to be attended by all the PIDs.

Since PID Committee consist of Independent Directors, Independent Directors Committee meeting, as required under Companies Act, 2013, has been merged with the Public Interest Committee Meeting with effect from January 14, 2023 and

the terms of reference of the PID Committee were enhanced to include those required for Independent Directors Committee.

The terms of reference of the Public Interest Director Committee is as under:

1. The objective of PID meetings, will include inter alia reviewing the status of compliance with SEBI letters/ circulars, reviewing the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions, etc.
2. PIDs will also prepare a report on the working of the committees of which they are member and circulate the same to other PIDs. The consolidated report in this regard shall be submitted to the governing board of the MIIs.
3. PIDs will identify the important issues which may involve conflict of interest for the MII or may have significant impact on the market and report the same to SEBI, from time to time.
4. Review the performance of non-independent Directors and the Board as a whole.
5. Review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors.
6. Assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
7. In addition to above, the PIDs are required to do the following as per the SEBI letter dated November 14, 2019 –
  - a. Oversee the SEBI inspection observations particularly on issues related to
    - (i) Governance Standards - Conflict of Interest.
    - (ii) Technology and Cyber Security Issues.
    - (iii) System Audit & Cyber Security Audit observations.
  - b. Important Technology related issues.
  - c. Put in place evaluation mechanism to assess the performance of MD/CEO on a continuing basis in line with evaluation guidelines for PIDs.
  - d. To ensure appointment of MD/CEO within specified timelines and identification of KMPs be closely scrutinised as per laid down procedure

and exceptions to be brought to the notice of SEBI.

- e. Evaluate investments made by the Exchange into unrelated area.
- f. Evaluate the profitability margins of the Exchange as the EBITDA margins and PAT margins of MIIs are among the highest in the country.

**Composition and Attendance:**

The Public Interest Director Committee comprised of 5 members viz, Shri Girish Chandra Chaturvedi, Smt. Anuradha Rao, Shri K. Narasimha Murthy, Prof. S. Sudarshan and Smt. Mona Bhide. Smt. Anuradha Rao ceased to be director of the NSEIL with effect from December 16, 2022.

Further, with effect from January 14, 2023, the Committee was reconstituted and comprises of Shri Girish Chandra Chaturvedi, Shri S Ravindran, Shri K. Narasimha Murthy, Prof. S. Sudarshan and Smt. Mona Bhide.

**7. Committee of PID for second review of claims lodged by the claimants of the defaulter / expelled members**

This Committee reviews the claims lodged by the claimants of the defaulter/expelled members, i.e., the second review request lodged by the claimant who is not satisfied with the outcome of the first review by MCSGFC in respect of members who have been disabled post November 13, 2020. The said Committee was constituted pursuant to SEBI letter dated November 13, 2020. The Committee currently comprises of Shri Girish Chandra Chaturvedi as its Chairman and Prof. S. Sudarshan as Member.

Since there were no instances of 2nd review, so far, no meeting has been held.

**IV. AUDITORS**

The Audit Committee periodically discusses with the Auditors the annual audit programme and the depth and detailing of the audit plan to be undertaken by them. The Board has appointed M/s. Deloitte Touche Tohmatsu India LLP., external firm of chartered accountants as its internal auditor in order to ensure independence and credibility of the internal audit process related to finance function and also to conduct operations audit so as to improve operational efficiency and compliance.

**V. SECRETARIAL AUDIT**

NSE had engaged the services of M/s. Makarand M. Joshi & Co., Company Secretaries to conduct Secretarial Audit for FY ended March 31, 2023. The report of the Secretarial Auditors is placed before the Audit Committee.

**VI. ANNUAL SECRETARIAL COMPLIANCE REPORT**

NSE has undertaken an audit for FY 2022-23 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/ Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been obtained from M/s. Makarand M. Joshi & Co., Company Secretaries in terms of SEBI circular of February 8, 2019.

**VII. CEO/ CFO CERTIFICATION**

The CEO and CFO certification of the financial statements for FY 2022-23 is attached at the end of the report.

**VIII. GENERAL SHAREHOLDER INFORMATION**

**(A) Annual General Meeting:**

The 31<sup>st</sup> Annual General Meeting of NSE will be held on Wednesday, August 23, 2023, through Video Conference / Other Audio-Visual Means (VC/OAVM). The deemed venue for the 31<sup>st</sup> Annual General Meeting shall be the registered office of the Company i.e. Exchange Plaza, Plot - C1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051. For details, please refer to the Notice of this AGM.

**(B) Financial Year:** April 01, 2022 to March 31, 2023.

**(C) Dividend Payment Date:**

Dividend, if declared at the AGM will be paid on or before September 21, 2023, to those Shareholders whose names appear in the Register of Members of the Company as on Wednesday, August 16, 2023 (close of business hours of Record date).

**(D) Dividend:**

NSE provides the facility of direct credit of the dividend to the member's bank account. Listing Regulations also mandate Companies to credit the dividend to the members electronically.

**Unpaid dividend**

Please refer section Unpaid/Unclaimed Dividend of Board's Report.

**(E) Registrar and Transfer Agent:**

The address for communication and contact details of the Registrar and Transfer Agent are as under:

M/s. Link Intime India Private Limited  
C-101, 247 Park, LBS Marg, Vikhroli (West),  
Mumbai - 400 083  
Tel. No. + 91 22 49186000; Fax No. + 91 22 49186060  
e-mail id: benpos@linkintime.co.in/equityca@linkintime.co.in;  
website: <https://linkintime.co.in>.

**(F) Share Transfer system:**

The equity shares of NSE are in dematerialised form. Further, the ISIN of equity shares is suspended by NSE to prevent transfers not approved by NSE pursuant to

Article 63 of its Articles of Association and to ensure compliance with the provisions of SECC Regulations. Therefore, when application for approval of transfer of shares is received, adherence to compliance with SECC Regulations is ensured.

SEBI, vide its notification dated August 13, 2021 amended Regulation 19 of the Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018, pursuant to which, the onus of ensuring the fit and proper person criteria for the shareholders of exchange, which was earlier on the stock exchange is now on the shareholders themselves. The SRC has approved a process for transfer of shares for shareholding below 2% and has delegated powers for approval to certain Senior Officials of the Company.

**(G) Distribution of shareholding:****Distribution of Shareholding as on March 31, 2023**

Category	No. of shareholders in each category	% of the category	No. of shares held of ₹1 each	% to the total paid up equity capital
Individuals	4,863	83.27	6,26,43,500	12.65
Corporates-Listed	28	0.48	75,96,050	1.53
Corporates-Unlisted	586	10.03	7,16,17,062	14.47
Financial Institutions/Banks	6	0.10	2,26,05,946	4.57
Insurance Companies	10	0.17	9,58,58,750	19.37
Venture Capital Fund/AIFs	10	0.17	2,23,00,920	4.5
Foreign holding	123	2.11	20,37,79,731	41.17
Hindu Undivided Family	101	1.73	9,47,801	0.19
Trust	113	1.94	76,50,240	1.55
<b>Total</b>	<b>5,840</b>	<b>100.00</b>	<b>49,50,00,000</b>	<b>100.00</b>

**Top 10 Shareholders as on March 31, 2023**

Sr. No	Name of the shareholder	No. of shares	Percentage of shareholding (rounded off to 2 decimals)
1	Life Insurance Corporation of India	5,30,55,000	10.72
2	Aranda Investments (Mauritius) Pte Ltd	2,47,50,000	5.00
3	Stock Holding Corporation of India Ltd	2,20,00,000	4.44
4	SBI Capital Markets Limited	2,14,50,000	4.33
5	Veracity Investments Limited	1,94,59,000	3.93
6	State Bank of India	1,59,69,410	3.23
7	Crown Capital Limited	1,57,11,570	3.17
8	PI Opportunities Fund I	1,48,50,000	3.00
9	TA Asia Pacific Acquisitions Limited	1,15,47,217	2.33
10	MS Strategic (Mauritius) Limited	1,14,05,000	2.30

As per SECC Regulations, NSE is required to ensure that at least 51% of the equity share capital is held by public i.e. not more than 49% to be held by TM/CM/ their associates. NSE is also required to ensure that at least 51% of the equity share capital is held by persons resident in India (as per FEMA) i.e. not more than 49% to be held by persons resident outside India.

The percentage of shareholding in the hands of 'Public' category within the meaning of SCR (SECC) Regulations, 2018 as on March 31, 2023 was 55.00% as against the minimum requirement of 51%.

#### (H) Dematerialisation of shares:

NSE's shares are fully dematerialised.

#### (I) Address for correspondence:

The Secretarial Department, National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

Shareholders are requested to intimate all changes pertaining to their Bank details, email addresses, Power of Attorney, change of name, change of address, contact details, etc., to their Depository Participants (DP).

#### (J) Other Disclosures:

##### Regulations 17 to 27 & Regulation 46 of SEBI Listing Regulations

The Company has complied with and disclosed all the applicable mandatory Corporate Governance requirements mentioned under Regulation 17 to 27 and clauses (b) to (i) sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

##### I. Basis of related party transactions

The transactions with related parties are entered in the ordinary course of business and on an arm's length basis. The details of the related party transactions are disclosed in the Annual Report. The 'Policy on dealing with related party transactions' is available on the Website of NSE. Weblink as under:

[https://archives.nseindia.com/global/content/about\\_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf](https://archives.nseindia.com/global/content/about_us/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf)

The Audit Committee of the Company has granted omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. The Audit Committee also reviews all RPTs

on a quarterly basis in line with the omnibus approval granted by it. During FY 2022-23, NSE did not have any material pecuniary relationship or transactions with Non-Executive Directors.

#### II. Details of non-compliance by NSE, penalties, strictures imposed on NSE by SEBI or any other statutory authority on any matter related to capital markets during the last 3 years.

##### 1. Co-location order - WTM/GM/EFD/03/2018-19- April 30, 2019 (SAT passed order dated January 23, 2023. Pending before Supreme Court):

- I. NSE shall disgorge an amount of ₹624.89 Crs. along with interest at the rate of 12% per annum from April 01, 2014 onwards to the Investor Protection and Education Fund (IPEF) created by SEBI under Section 11 of the SEBI Act, within 45 days from the date of the Colocation Order.
- II. NSE shall be prohibited from accessing the securities market directly or indirectly for a period of six months from the date of the Co-location order.
- III. NSE shall carry out System Audit at frequent intervals, after thorough appraisal of the technological changes introduced from time to time; reconstitute its Standing Committee on Technology at regular intervals to take stock of technological issues; and frame a clear policy on administering whistle blower complaints.
- IV. NSE shall initiate an enquiry under its Employees Regulations against Shri Mahesh Soparkar and Shri Deviprasad Singh with respect to the findings contained in paragraph 8.4.7.6 of the Colocation Order and submit a report to SEBI within 6 months from the date of the Colocation Order.
- V. Ravi Narain (former MD & CEO of NSE) was directed to disgorge 25% of the salary drawn for FY 2010-11 to 2012-13 to the IPEF created by SEBI under Section 11 of the SEBI Act, through NSE, within a period of 45 days from the date of the Colocation Order. NSE has been directed to determine and intimate the amount arrived at, in view of the above directive.

VI. Chitra Ramkrishna (former MD & CEO of NSE) was directed to disgorge 25% of the salary drawn for FY 2013- 2014 to the IPEF created by SEBI under Section 11 of the SEBI Act, through NSE, within a period of 45 days from the date of Colocation Order. NSE has been directed to determine and intimate the amount arrived at, in view of the above directive.

On January 23, 2023 the Hon'ble SAT passed an order deciding the Appeal filed by NSE and issued the following directions:

- a. We set aside the order of the WTM directing disgorgement of an amount of ₹624.89 cores along with interest at the rate of 12% p.a. against NSE.
- b. Directions given by the WTM prohibiting NSE from accessing the securities market, directly or indirectly, for a period of six months and, further, directing NSE to carry out system audit at frequent interval after thorough appraisal of the technological changes introduced from time to time is affirmed.
- c. We direct NSE to deposit a sum of ₹100 Crs. to the Investor Protection and Education Fund created by SEBI. This amount will be adjusted by SEBI pursuant to the deposit already made by NSE vide our interim orders dated 22nd May, 2019 and 17th May, 2021. The excess amount along with interest accrued shall be refunded by SEBI within six weeks. The appeal of NSE is partly allowed.
- d. The direction to disgorge 25% of the salary from Shri Ravi Narain and Smt. Chitra Ramkrishna is set aside.
- e. The direction prohibiting Shri Ravi Narain and Smt. Chitra Ramkrishna from associating with any listed Company or a market infrastructure institution or any other market intermediary for a period of five years is set aside and substituted for the period undergone by them. The appeals for Shri Ravi Narain and Smt. Chitra Ramkrishna are allowed.

f. The direction of the WTM directing NSE to initiate enquiry against its employees is affirmed.

g. The violations committed by OPG as found by WTM is affirmed. However, the direction of the WTM directing OPG and its Directors to disgorge ₹15.57 Crs. along with interest at the rate of 12% p.a. from 7th April, 2014 onwards is set aside. The matter is remitted to the WTM to decide the quantum of disgorgement afresh in the light of the observation made above within four months from today.

h. In addition to the above, we direct the WTM to consider the charge of connivance and collusion of OPG and its Directors with any employee/officials of NSE. Further, the WTM will decide the issuance of direction/penalty concealment/destruction of vital information and will further reconsider Issue No.2 relating to crowding out other market participants.

i. All other directions issued against OPG and its Directors are affirmed. The appeal is partly allowed.

j. The intervention applications as well as the appeal of Shri A. Kumar are rejected.

Thereafter, SEBI preferred an appeal before the Hon'ble Supreme Court against the SAT Order and the Hon'ble Supreme Court vide its interim order dated March 20, 2023 directed SEBI to refund NSE ₹300 Crs. which is to be kept in a separate account which shall be subject to the result of the appeal. NSE has received 300 Crs. on April 21, 2023. The Appeal preferred by SEBI is pending before the Hon'ble Supreme Court.

**2. Colocation Adjudication - SEBI Order dated February 10, 2021 Order /AP/SK/ 2020-21/10374-10376 (Pending before SAT):**

I. SEBI levied a penalty of ₹1 Crs. on NSE.

**3. Dark fiber order WTM/SKM/EFD1-DRAIII/ 16 /2019-20 – April 30, 2019 (Pending before SAT):**

I. NSE was directed to deposit a sum of ₹62.58 Crs. as determined at paragraph

- 70.3 by the Dark Fiber Order along with interest calculated at the rate of 12% p.a. from September 11, 2015 till the actual date of payment, to IPEF of SEBI within 45 days from the date of this Order.
- II. NSE, on completion of every six months (by June 30 and December 31) for the next three years, shall get its network architecture and infrastructure in its colocation facility and its linkages to the trading infrastructure audited by an independent CISA/CISM qualified and CERT-IN empaneled auditor. The deficiencies/shortcomings observed therein and the corrective steps taken thereon, with the comments of the MD and CEO of NSE shall be submitted to SEBI after obtaining approval of its Governing Board within 60 days from June 30 and December 31 of the year starting from June 30, 2019.
  - III. NSE is directed to prepare a comprehensive documented policy which shall, inter alia, include Guidelines, Standard Operating Procedures and Protocols with respect to its colocation facility including the eligibility criteria for Telecom Service Providers, the norms to be observed by the Stock Brokers and other registered intermediaries. The said documented policy is directed to be issued to the market intermediaries under intimation to SEBI, within three months from the date of Dark fiber Order.
  - IV. NSE is directed to submit to SEBI, a report duly certified by its MD and CEO and with the comments of its Governing Board certifying that the network architecture and connectivity at its colocation facility and its linkages to the trading infrastructure are in conformity with SEBI's regulatory norms to provide fair, equitable, transparent and non-discriminatory treatment to all the market intermediaries registered with NSE. Such report shall be submitted within 30 days after every six months (ending on June 30 and December 31) for the next three years. First, such report shall be filed for the six months ending on June 30, 2019, by July 31, 2019 based on the existing system and practices, pending compliances to directions issued at points 2 and 3 above.
  - v. Not to introduce any new derivative product for next six months from the date of the Dark fiber Order.
- 4. Governance Order -WTM/SKM/EFD1-DRA-III/18/2019-20 - April 30, 2019 (Pending before SAT):**
- I. NSE has been directed to take necessary legal actions against Shri Ajay Shah, Infotech Financial Services Pvt. Ltd., Smt. Sunita Thomas and Shri Krishna Dagli (Directors of Infotech Financial Services Pvt. Ltd.) for violating the provisions of the "Professional Service Agreement" signed with Infotech in connection with LIX project and for misusing the data made available to them by NSE as per the findings made in this Governance Order. NSE is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from date of the Governance Order.
  - II. NSE is directed to review all the third party agreements having a data sharing component/provision therein signed by it from year 2009 onwards and take necessary legal actions against the parties with whom such agreements were signed wherever any actions of irregularity, breach of terms and conditions and other provisions of such agreements are observed. NSE is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from date of the Governance Order.
  - III. NSE is directed to prepare a detailed documented policy with respect to data usage and data sharing with external persons/entities in a fair & transparent manner, including data sharing with any researchers, commercial entities, overseas entities, etc., with due provisions for processes to be followed and disclosures of conflict of interest to be made at the level of any employee of NSE. The policy shall be comprehensive with proper maker and checker system with provision for periodic review to ensure prevention of misuse of the data/information. NSE is further directed to

submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from the date of the Governance Order.

- IV. It is further directed that the aforementioned data usage and data sharing policy shall be implemented after approval of the same by the Governing Board of NSE and shall be disseminated through a circular and also be displayed on the website of NSE.
- 5. Corporate Governance- GOO Order- February 11, 2022 (NSE has complied with the order and matter has been disposed of):**
- I. SEBI in light of the aforesaid violations has inter alia levied a penalty of ₹2 Crs. on NSE and also directed NSE to not launch any new product for a period of 6 months from the date of the order.
- 6. Leave Encashment - Order/AP/SK/2020-21/8744 (NSE has complied with the order) August 25, 2020:**
- I. Monetary penalty of ₹50,00,000/- was levied on NSE.
- 7. STP SCN- Settlement - Application No. 6462/2021- December 28, 2021:**
- I. Settlement Amount of ₹4.87 Crs. (NSE has complied with the order).
- 8. Dark Fibre Adjudication - [ADJUDICATION ORDER Ref. No. ORDER/SBM/ASR/2022-23/17390-17407] dated June 28, 2022:**
- Penalty amount of ₹7 Crs. imposed on NSE. NSE preferred an appeal and SAT has stayed the SEBI directive.
- 9. Governance and Conflict of Interest-ADJUDICATIONORDER Ref. No. ORDER/SBM/ASR/2022-23/17637-17644] dated June 30, 2022**
- Penalty amount of ₹1 Cr. imposed on NSE. NSE preferred an appeal and SAT has stayed the SEBI directive.
- 10. Adjudication Order: Order/AP/SK/2020-21/9375 October 01, 2020:**
- Penalty amount of ₹ 6,00,00,000/ was levied on NSE. SAT has set aside the order passed by SEBI. SEBI has preferred an appeal before SC

and the same is pending.

**11. SEBI letter dated July 2, 2021 bearing reference no. SEBI/HO/MRD1/MRD1\_DTCS/P/OW/2021/14193/2 financial disincentive of ₹25 Lakh**

NSE paid the amount to SEBI.

**II. Vigil Mechanism /Whistle Blower Policy**

NSE has established a mechanism for any person to report concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or code of ethics policy. NSE also provides for adequate safeguards against victimisation of employees who avail the mechanism and also allows direct access to the Chairman of Audit Committee, as the case may be. No personnel has been denied access to the relevant Committee.

The details of Vigil Mechanism are provided on our Company's website at [https://archives.nseindia.com/global/content/about\\_us/NSE\\_dtls\\_VM.pdf](https://archives.nseindia.com/global/content/about_us/NSE_dtls_VM.pdf)

**III. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Please refer section Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 of Board's Report.

**IV. Compliance with the non-mandatory requirements (Part E of Schedule II Regulation 27(1) of the Listing Regulations)**

In addition to the above, NSE also complies with many non-mandatory requirements of Part E of Schedule II Regulation 27(1) of the Listing Regulations, like maintaining a Chairman's office at NSE's expense, reimbursement of expenses incurred by Chairman in performance of his duties, separate posts of Chairperson and Managing Director & Chief Executive Officer, Financial Statements with unmodified opinion, Internal Auditors reporting directly to the Audit Committee, etc.

**V. Subsidiary Companies**

As per Listing Regulations, "material subsidiary" shall mean a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding

accounting year.

The said Regulations lay down Corporate Governance requirements with respect to subsidiary of listed entity. NSE had identified NCL and NSEI as a 'material unlisted Indian subsidiary' Company. A statement of all significant transactions and arrangements entered into by NCL and NSEI is periodically brought to the attention of the Board of Directors of NSE. The minutes of the meetings of the Board of Directors of all the subsidiary companies of NSE are also periodically brought to the meeting of the Board of Directors of NSE for its noting. The 'Policy for determining material subsidiaries' is available on the Website of NSE. (Weblink: [https://static.nseindia.com//s3fs-public/inline-files/Policy\\_for\\_determination\\_of\\_materiality\\_of\\_Events\\_information.pdf](https://static.nseindia.com//s3fs-public/inline-files/Policy_for_determination_of_materiality_of_Events_information.pdf))

The Report of the Secretarial Audit of NCL & NSEI is annexed herewith as Annexure 6(ii), 6(iii), in terms of the amendments in the LODR Regulations dated May 05, 2021. The Secretarial Audit Report of NCL & NSEI does not contain any qualifications, reservation, adverse remarks or disclaimer.

#### VI. Disclosure of Accounting Treatment in the preparation of Financial Statements

NSE follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013, in the preparation of its financial statements.

#### VII. Communication with Shareholders

The data related to quarterly and annual financial results, shareholding pattern, Board meetings, General meetings, terms and conditions of appointment of Independent Directors, the details of vigil mechanism, press releases, etc., are provided on the website of NSE under 'Investor Relation' section for information of the shareholders. Weblink as under:

<https://www.nseindia.com/investor-relations/announcements>

NSE disseminates all material information to its shareholders through periodic communications. The financial results are published periodically in the newspapers as per the requirements of the Listing Regulations. Any specific presentations made to analysts and others are also posted on NSE's website.

Annual Report: Annual report containing, inter-alia, Audited Accounts, Integrated Report, Directors' Report, Report on Corporate Governance, Management Discussion & Analysis and other material and related matters/information are circulated to the shareholders and others entitled thereto.

#### VIII. Redressal of shareholders' complaints

NSE has constituted a Stakeholders Relationship Committee to look into and redress shareholder and investor complaints in respect of matters related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. All queries were resolved to the satisfaction of shareholders of the Company.

#### IX. Certificate from a Company Secretary in Practice

M/s. Makarand M Joshi & Co., Practicing Company Secretaries has given a certificate that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as the Directors of NSE by the SEBI / MCA or any such statutory authority. The said certificate also forms part of this Report.

X. The details regarding total fees for all services paid by NSE and its subsidiaries, on a consolidated basis, to the Statutory Auditor (Price Waterhouse & Co Chartered Accountants LLP) and all entities in the network firm/network entity of which the Statutory Auditor is a part is as under:

Sr. No	Nature of fees paid by NSE to Statutory Auditor	Amount paid (in ₹ Crs.) to the Auditor
1	Audit fees	0.60
2	Limited review	0.30
3	Certification matters	0.04
4	Other services	0.04
	<b>Total</b>	<b>0.98</b>

**XII. GENERAL BODY MEETINGS**

Location, date and time of the general body meetings held in the last three years till March 31, 2022: -

Type of meeting	Date	Time	Venue	Special Resolution passed
Extra Ordinary General Meeting	August 11, 2022	10.00 A.M	Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 [deemed venue since the meeting was held through Video Conference / Other Audio-Visual Means (VC/OAVM)].	-
30th Annual General Meeting	July 12, 2022	11.00 A.M	Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 [deemed venue since the meeting was held through Video Conference / Other Audio-Visual Means (VC/OAVM)].	-
29th Annual General Meeting	August 25, 2021	11.00 A.M	Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 [deemed venue since the meeting was held through Video Conference / Other Audio-Visual Means (VC/OAVM)].	-
28th Annual General Meeting	September 25, 2020	11.00 A.M	Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 [deemed venue since the meeting was held through Video Conference / Other Audio-Visual Means (VC/OAVM)].	-

NSE did not pass any resolution through postal ballot in the last year.

**XIII. PLANT LOCATIONS**

None.

**XIV. CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS**

As required in Listing Regulations read with Regulation 33 of SECC Regulation, NSE has, obtained a certificate regarding the compliance of conditions of Corporate Governance therein from a Practicing Company Secretary. The same is given as an Annexure.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel affirmation that they have complied with the code of conduct for FY 2022-23.

For the purpose of this declaration, Senior Management Personnel means Key Management Persons appointed under SECC Regulations reporting directly to MD & CEO and Key Managerial Personnel namely Chief Financial Officer and Company Secretary appointed under the provisions of the Companies Act, 2013.

Place: Mumbai,  
Date : May 15, 2023

**Ashishkumar Chauhan**  
*MD & CEO*  
DIN: 00898469

## CEO AND CFO CERTIFICATE

To,  
**The Board of Directors,  
National Stock Exchange of India Limited**

We, Ashishkumar Chauhan, Managing Director & CEO and Yatrik Vin, Group Chief Financial Officer & Head Corporate Affairs of the National Stock Exchange of India Limited hereby certify to the Board that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2023 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee.
  - i. significant changes, if any, in internal controls over financial reporting during the year;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date : May 15, 2023

**Ashishkumar Chauhan**  
Managing Director & CEO

**Yatrik Vin**  
Group Chief Financial  
Officer & Head Corporate Affairs

# COMPLIANCE CERTIFICATE

## DISCLOSURE REQUIREMENTS & CORPORATE GOVERNANCE NORMS

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

We have examined all relevant records of National Stock Exchange of India Limited for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the period from October to March 31, 2023.

In terms of Regulation 33(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the disclosure requirements and corporate governance norms. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Makarand M. Joshi & Co.**  
*Company Secretaries*

**Makarand M. Joshi**  
*Partner*

FCS: F5533

CP: 3662

UDIN: F005533E000222321

Peer Review No: 640/2019

Date: April 28, 2023

Place: Mumbai

## CERTIFICATE

*(Pursuant to Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

*The Members,*

**National Stock Exchange of India Limited,**

Exchange Plaza C-1 Block G,

Bandra Kurla Complex,

Bandra East, Mumbai 400051.

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to National Stock Exchange of India Limited having CIN U67120MH1992PLC069769 and having registered office at Exchange Plaza, C - 1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) Disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, MCA or any such other statutory authority as on March 31, 2023.

**Table A**

Sr. No	Name of the Director	Director Identification Number	Date of Appointment in the Company
1.	Shri Narasimha Kummamuri	00023046	17/02/2020
2.	Shri Girish Chaturvedi Chandra	00110996	08/11/2019
3.	Shri Ashishkumar Manilal Chauhan	00898469	26/07/2022
4.	Shri Veneet Nayar	02007846	20/09/2021
5.	Smt. Mona Mukund Bhide	05203026	21/04/2020
6.	Shri Bishnu Charan Patnaik	08384583	18/09/2022
7.	Shri Sundararajarao Sudarshan	08636735	17/02/2020
8.	Shri Ravindran Shunmugakani	09778966	17/12/2022

**For Makarand M. Joshi & Co.**

*Practicing Company Secretaries*

**Kumudini Bhalerao**

*Partner*

FCS No. 6667

CP No. 6690

PR: 640/ 2019

UDIN: F005533E000307318

Date: April 28, 2023

Place: Mumbai

## ANNEXURE 6(i) TO BOARD'S REPORT FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2023

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

National Stock Exchange of India Limited,

Exchange Plaza, C-1, Block G, Bandra Kurla Complex,

Bandra (East), Mumbai 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **National Stock Exchange of India Limited** (hereinafter called 'the Company' or 'NSE'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

#### Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the

Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA' and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; **(External Commercial Borrowings is not applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable **(PIT Regulations);**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)

Regulations, 2021; **(Not Applicable to the Company during the Audit Period).**

- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

(vi) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018; (hereinafter “Listing Regulations”)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. *except delay in application for extension of the term or appointment of a new public interest director to Securities and Exchange Board of India.*

With reference to compliance of maintaining structured digital database under regulation 3(5) of PIT Regulations, we have relied upon the third-party opinion taken by the Company.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in some cases where meeting is convened at a shorter notice for which necessary approvals obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** the Company has digital compliance management system. The adequacy and efficacy of the same shall be read in the context of the events, observations and remarks specified in this report.

**We further report that during the audit period,** the Company in the matter of Colocation facility has received order from Hon’ble supreme court where court has directed to pay penalty of ₹ 100 Crs. under Section 15J of SEBI Act, 1992, Section 23J of SCRA and Rule 21 of SAT Rules on Company “for the lack of due diligence on accounts of human failure to comply with the March 30, 2012 Circular” and directed SEBI to refund an amount of ₹ 300 Crs. alongwith interest accrued.

**For Makarand M. Joshi & Co.**  
*Company Secretaries*

**Makarand M. Joshi**  
*Partner*

FCS: F5533

CP: 3662

Date: April 28, 2023

Place: Mumbai

UDIN: F005533E000222299

Peer Review No: 640/2019

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## Annexure A

To,

*The Members,*

**National Stock Exchange of India Limited,**

Exchange Plaza, C-1, Block G, Bandra Kurla Complex,

Bandra (East), Mumbai 400051

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Makarand M. Joshi & Co.**  
*Company Secretaries*

**Makarand M. Joshi**  
*Partner*

FCS: F5533

CP: 3662

UDIN: F005533E000222299

Peer Review No: 640/2019

Date: April 28, 2023

Place: Mumbai

## ANNEXURE 6 (ii) TO BOARD'S REPORT

### FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

NSE Clearing Limited,

Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NSE Clearing Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

#### Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the financial year ended on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (**Foreign Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable to the Company during the Audit Period**)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**)
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**).
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Audit Period**).

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)** and.
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period).**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, (hereinafter "Listing Regulations") to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

**We further report that** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018 which is specifically applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in four cases where meeting is convened at a shorter notice for which necessary approvals were obtained as per applicable provisions) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines. The adequacy and efficacy shall read in context of reporting as specified in the report.

**We further report that during the audit period,** the Company received an Adjudication Order to pay penalty of ₹ 25,00,000 in the matter of Karvy Stock Broking Limited for alleged violation of Para 7 of SEBI Circular dated December 17, 2018 (Early Warning Mechanism Circular).

**For Makarand M. Joshi & Co.**  
*Company Secretaries*

**Kumudini Bhalerao**  
*Partner*

FCS No. 6667  
CP No. 6690

Place: Mumbai  
Date: April 25, 2023

UDIN: F006667E000182997  
Peer Review No: 640/2019

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## Annexure A

To,  
*The Members,*  
**NSE Clearing Limited,**  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Makarand M. Joshi & Co.**  
*Company Secretaries*

**Kumudini Bhalerao**  
*Partner*

FCS No. 6667

CP No. 6690

UDIN: F006667E000182997

Peer Review No: 640/2019

Place: Mumbai

Date: April 25, 2023

## ANNEXURE 6 (iii) TO BOARD'S REPORT

### FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

For the Audit Period 01st April 2022 to 31st March 2023

*[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**NSE Investments Limited,**

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex, Bandra (East),

Mumbai 400051

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NSE Investments Limited, having CIN:-U65999MH2013PLC240078 (hereinafter called the 'Company') during the Financial Year 2022-2023, commencing from April 01, 2022 to March 31, 2023. ('Audit period' / 'Period under Review').

We have conducted the Secretarial Audit in a manner that provided us with a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- I. Our **verification** of the Company's books, papers, minutes books, copies of various records, scanned copies of minutes of the meetings of the Board of Directors of the Company (the Board) and Committees thereof, forms and returns filed and other records maintained by the Company as shared virtually and also made available physically during the course of audit .
- II. **Compliance Certificates** confirming Compliance with all laws applicable to the Company given by Key Managerial Personnel / Senior Managerial Personnel and taken on record by the Board of Directors of the Company, and
- III. **representations** made, documents produced and information provided by the Company, its officers, agents, and authorised representatives during our conduct of the Secretarial Audit of the Company.

We hereby report that in our opinion, during the audit period i.e. Financial Year 2022-2023, commencing from April 01, 2022, to March 31, 2023, the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanisms are in

place to the extent, in the manner and subject to the reporting made hereinafter.

#### 1. Compliance with specific statutory provisions

**We further report that:**

1.1. We have examined copies of the various records as provided in hard copies/electronically by the Company and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the company during the period, according to the applicable provisions / clauses of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations, Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations' were not applicable during the Audit period):
  - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- e. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - f. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - g. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with clients;
  - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013.
- (v) The Foreign Exchange Management Act, 1999 and the Rules and Regulations there under to the extent it relates to External Commercial Borrowings and Overseas Direct Investments was also not applicable to the Company during the audit period.

During the period under review, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) Complied with the applicable provisions/clauses of the Act, Rules and Regulations mentioned under sub-paragraphs of paragraph 1.1.
- (ii) Generally complied with the applicable provisions/ clauses of:
  - (a) The Act and rules mentioned under paragraph 1.1 ;
  - (b) FEMA, 1999 (Not applicable during the audit period);
  - (c) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1 (xvi) above to the extent applicable to the meetings of the Board and its Committees held during the review period. The Compliance with the provisions of the Rules made under the Act

with regard to the meetings of the Board and its Committees held through physical mode/ video conference were verified based on the minutes of the meetings provided by the Company.

## 2. The Board processes:

### We further report that

2.1 The Board of Directors of Company as on March 31, 2023, comprised of four Directors, as under:

- I. One Executive Director: Shri Yatrik Vin (DIN: 07662795);
- II. One Non-Executive Women Director: Smt. Kshama Fernandes (DIN: 02539429); and
- III. One Non-Executive Independent Director: Shri P.R. Ramesh (DIN: 01915274).

2.2 There were no changes in the composition of the Board of Directors and Key Managerial Personnel during the review period.

Smt. Kshama Fernandes (DIN: 02539429) who was liable to retire by rotation, offered herself for re-appointment at the 10th Annual General Meeting held on July 05, 2022 and was re-appointed.

2.3 Adequate notices of the meetings of the Board and its Committees were sent to the directors at least seven days in advance to enable them to plan their schedule for the meetings. For urgent matters, Board Meetings was held at shorter notice as applicable with the consent of the directors.

2.4 Agenda and detailed notes on agenda were sent to the directors at least seven days before the meetings of the Board and its Committees.

2.5 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda

items before the meetings and for their meaningful participation at the meetings.

2.7 We note from the minutes verified that, at the meetings of the Board and its committees, held during the audit period that:

- (i) Decisions were carried unanimously; and
- (ii) No dissenting views were expressed by any member of the Board and its Committees on any of the subject matters discussed, which were required to be captured and recorded as part of the minutes.

### 3. Compliance mechanism

There are reasonably adequate systems and processes prevalent in the Company, which are commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### 4. Specific events

- (i) The second tranche of 3,15,70,000 6% Nine years Non-Cumulative Compulsorily Convertible Preference shares (NCCCPS) was due for conversion to Equity Shares in ratio of 1:1 on June 27, 2022. Accordingly, the Board approved the allotment of said Equity shares to National Stock Exchange of India Limited, the Holding Company. The converted equity shares rank pari passu with the existing Equity Shares.
- (ii) The third tranche of 90,20,000 6% Nine Years, Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) was due for conversion to Equity Shares in the ratio of 1:1 on July 21, 2022. Accordingly, Board approved the said allotment of Equity shares to National Stock Exchange of India Limited, the Holding Company. The converted shares were issued as per the terms and conditions relating to the issue of NCCCPS and rank pari passu with the existing equity shares.
- (iii) The fourth tranche of 5,41,20,000 6% Nine Years, Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) was due for conversion to Equity Shares in the ratio of 1:1 on September 01, 2022. Accordingly, Board approved the said allotment of Equity shares to National Stock Exchange of India Limited, the Holding Company. The converted shares were issued as per the terms and conditions relating to issue of NCCCPS and rank pari passu with the existing equity shares.
- (iv) The fifth tranche of 2,66,50,000 6% Nine Years, Non-

Cumulative Compulsorily Convertible Preference Shares (NCCCPS) was due for conversion to Equity Shares in the ratio of 1:1 on September 30, 2022. Accordingly, Board approved the said allotment of Equity shares to National Stock Exchange of India Limited, the Holding Company. The converted shares were issued as per the terms and conditions relating to issue of NCCCPS and rank pari passu with the existing equity shares.

- (v) At the 10<sup>th</sup> Annual General Meeting of the Company held on July 05, 2022, shareholders declared a dividend of ₹15/- per equity share of the face value of ₹10/- each and the dividend has been paid within the prescribed timeline.
- (vi) The sixth tranche of 5,75,64,000 6% Nine Years, Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) was due for conversion to Equity Shares in the ratio of 1:1 on January 01, 2023. Accordingly, Board approved the said allotment of Equity shares to National Stock Exchange of India Limited, the Holding Company. The converted shares were issued as per the terms and conditions relating to issue of NCCCPS and rank pari passu with the existing equity shares.
- (vii) The seventh tranche of 21,15,47,703 6% Nine Years, Non-Cumulative Compulsorily Convertible Preference Shares (NCCCPS) was due for conversion to Equity Shares in the ratio of 1:1 on February 19, 2023. Accordingly, Board approved the said allotment of Equity shares to National Stock Exchange of India Limited, the Holding Company. The converted shares were issued as per the terms and conditions relating
- (viii) In view of the conversion of NCCCPS as stated above, there were no outstanding NCCCPS as on March 31, 2023.

**For BNP & Associates**

**Company Secretaries**

[Firm Regn. No. P2014MH037400]

PR No. 637/2019

**Kalidas Ramaswami**

**Partner**

Place: Mumbai

FCS No.: - F2440 / COP No. 22856

Date: April 17, 2023

UDIN : 400F002440E000104146

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure A

To,  
The Members,  
NSE Investments Limited,

Secretarial Audit Report of even date is to be read along with this letter.

1. The Company's Management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related actions taken by the company after March 31, 2023 but before the date of issue of this report.
4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For BNP & Associates**  
*Company Secretaries*  
[Firm Regn. No. P2014MH037400]  
PR No. 637/2019

**Kalidas Ramaswami**  
*Partner*  
FCS No.: - F2440 / COP No. 22856  
UDIN : 400F002440E000104146

Place: Mumbai  
Date: April 17, 2023

## ANNEXURE 7(i) TO BOARD'S REPORT

i. Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the financial year:  
The ratio of remuneration of the Managing Director to the median remuneration of the employees of the Company for the financial year is 82.14x.

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

The percentage increase in remuneration of Managing Director & Chief Executive Officer\*, Company Secretary and Chief Financial Officer in the financial year is around 10%, 12.33% and 15% respectively.

\*The term of the previous Managing Director & Chief Executive Officer ended on 16th July 2022.

iii. The percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of employees over last year is around (-) 0.96%.

iv. The number of permanent employees on the rolls of the Company:

As on March 31, 2023, there are 1,115 employees on the rolls of the Company.

v. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

For the FY 2022-23, the average percentile increase for the employees and the managerial personnel has been 12.02% (including salary correction of 0.61%). Apart from the performance based normal increment and salary correction, the Non-KMP employees also received one tranche of Deferred Pay retention plan.

I. For Non KMPs, the payout was effective October 30, 2022.

II. For KMPs (Excluding MD & CEO) payment of 7.5% is effective April 1, 2023.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company: The remuneration is as per the remuneration policy of the Company.

**ANNEXURE 7(ii) TO BOARD'S REPORT**  
**STATEMENT PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016**

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Shri AshishKumar Chauhan B.Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta) # @	55	Managing Director & CEO	5,65,41,475	2,93,92,312	32	July 26, 2022	Managing Director & CEO - BSE Limited
2	Shri Vikram Limaye MBA, CA # & \$ @	56	Managing Director & CEO	6,35,65,531	2,88,62,445	34	July 17, 2017	Managing Director & CEO IDFC Limited
3	Shri Ravi Varanasi B.Sc., CAIIB # & \$ @	60	Chief Business Development Officer	2,02,25,520	1,33,54,192	35	July 3, 1995	Senior Deputy Manager - The Vysya Bank Limited
4	Shri Yatrik Vin ICWA, M.Com # & \$	56	Group CFO & Head Corporate Affairs	3,76,40,991	1,59,52,901	35	February 21, 2000	Manager (Finance & Accounts) Godrej & Boyce Mfg. Co. Limited
5	Shri Sriram Krishnan CA, ICWA, # @	51	Chief Business Development Officer	74,03,296	48,92,956	27	December 14, 2022	Managing Director Deutsche Bank, AG
6	Shri Mukesh Agarwal BE, M.Sc., MMS # &	56	Managing Director - NSE Data & Analytics Limited & NSE Indices Limited	3,53,44,393	1,99,44,244	30	April 1, 2015	Chief - BE, New Products, IISL & Dotex, National Stock Exchange of India Limited
7	Shri Hari K. ICWA, ACS # &	56	Head - Business	2,59,89,829	1,54,89,757	34	May 29, 1995	Cost Accountant, KCP Limited
8	Shri M Vasudev Rao LLB, CS # &	55	Group General Counsel	1,87,24,398	1,17,14,318	31	November 01, 2012	Associate Vice President Bennett Coleman & Company Limited
9	Smt. Priya Subbaraman LLB, CS # & \$	52	Chief Regulatory Officer	2,67,65,549	1,63,62,173	26	February 01, 2018	Head - Compliance Standard Chartered Bank
10	Shri Somasundaram K S BE, PGDM # & \$	52	Chief Enterprise Risk Officer & Head - Business Excellence	2,30,26,269	1,45,42,152	27	October 04, 2018	Senior President and Chief Compliance Officer, Yes Bank Limited
11	Shri Shiv Kumar Bhasin BE, MTECH # & \$	52	Chief Technology Officer - Technology Infrastructure	2,45,18,840	1,53,75,688	21	January 02, 2019	Chief Technology Officer - State Bank of India
12	Shri Shharad Dhakkate MBA # @	50	Chief Human Resource Officer	34,19,649	24,96,336	27	January 02, 2023	Head Learning and Infrastructure SBI General Insurance Company Limited
13	Shri Saurov Ghosh Dip in LL&W, MPM # & @	54	Group Head - Human Resource	84,09,053	47,69,217	29	November 2, 2017	Chief HR Officer - Textiles Aditya Birla Group
14	Shri Vikram Kothari CA ICWA. # & \$	52	Managing Director - NSE Clearing Limited	2,34,22,061	1,38,62,442	27	November 7, 2017	Executive Director J P Morgan Chase Bank
15	Smt. Nisha Subhash CA # &	52	Senior Vice President - Regulatory	1,58,61,663	95,57,469	28	December 26, 1995	Equity Analyst, Kothari Share & Stock Brokers Private Limited

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
16	Shri Suprabhat Lala Bsc	56	Senior Vice President	1,50,40,226	90,95,987	33	October 01, 2001	Senior Vice President, Geojit Securites Limited
17	Shri Mayur Sindhawad ICWA, CS # & \$	48	Head Technology – Operations	1,98,76,912	1,29,05,430	27	June 1, 2009	Assistant Vice President Edelweiss Securities Limited
18	Shri Nagendra Kumar SRVS PGDM	50	Senior Vice President	1,95,27,646	96,77,787	28	July 16, 2009	Manager, Accenture India Limited
19	Shri Vitthal More MMS, BE %	52	Senior Vice President	1,39,80,651	83,77,848	28	April 01, 2010	Consultant, National Stock Exchange of India Limited
20	Dr. Dinesh Soni MBA, PHD # &	50	Senior Vice President - Regulatory	1,15,98,454	73,30,267	27	October 31, 2014	Deputy General Manager, Pension Fund Regulatory & Development Authority
21	Shri Viral Mody BE #	46	Head Technology – Application and Development	1,52,76,021	93,23,817	25	June 01, 2018	Senior Vice President NSE Infotech Services Limited
22	Shri Arijit Sengupta PGDBM %	56	Senior Vice President	2,08,58,068	1,31,35,518	33	May 02, 2019	Group Head, Global Communication & CSR, Wadhawan Global Capital
23	Dr Harish Kumar Ahuja MBA, PHD % @	52	Senior Vice President	25,18,522	20,00,487	26	January 16, 2023	Consultant, Waaree Energies Limited
24	Shri Manjunath Kashi BE #	55	Head - Cloud Infrastructure, Enterprise DB & Production Support	1,55,66,788	99,75,890	36	May 27, 2020	Chief Technology Officer Aviso Inc
25	Shri Arvind Goyal CA # &	51	Head - Trade Operations	93,33,278	53,38,685	25	September 01, 2004	Manager, OTC Exchange of India Limited
26	Shri Amit Bhobe B Tech %	45	Senior Vice President	1,30,80,331	77,56,860	23	December 08, 2008	Associate Manager Accenture Services Private Limited
27	Shri Sanjay Sinha B Tech, EMBA %	48	Senior Vice President	1,64,94,511	1,02,15,699	27	February 21, 2013	Associate Director - P&T anagement KPMG
28	Shri Mahesh Soparkar MBA, BE %	53	Senior Vice President	96,10,491	60,08,772	29	June 01, 2018	Senior Vice President NSE Infotech Services Limited
29	Shri Sheshadri Meda BE # &	53	Chief Information & Security Officer	1,14,83,475	72,79,454	30	June 01, 2018	Chief Information Security Officer NSE Infotech Services Limited
30	Shri Deviprasad Singh BE #	52	Senior Vice President	1,14,79,428	74,87,275	29	June 01, 2018	Senior Vice President NSE Infotech Services Limited
31	Dr. Tirthankar Patnaik B.SC, PHD %	47	Chief Economist	1,98,88,511	1,26,89,908	23	March 01, 2019	Chief Strategist & Head Of Research Mizuho Bank Limited
32	Shri Rohit Gupte C.S # &	52	Company Secretary	1,19,45,715	74,99,604	33	November 17, 2020	Vice President Deutsche Bank AG
33	Shri Sampath Manickam B.S (IT) #	46	Senior Vice President	1,23,82,725	87,34,349	28	January 14, 2022	Senior Vice President Jio Platforms Limited

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
34	Shri Krishnan Iyer CA # @	49	Senior Vice President - Regulatory	56,00,682	39,58,435	25	August 08, 2022	Chief Operating Officer, Alpha Alternatives Holdings Private Limited
35	Smt. Renu Bhandari MBA # &	50	Vice President	78,19,982	51,87,481	31	November 18, 1996	Junior Stenographer Delhi Stock Exchange Association
36	Shri Kiran Dusane DEE %	50	Vice President	1,20,40,811	70,71,470	29	September 01, 1997	Electrical Engineer Lloyds Steel Industries Ltd
37	Shri Bireswar Chatterjee PGDSL, CA #	50	Vice President	1,11,58,426	72,06,418	27	February 02, 2001	Junior Officer Videsh Sanchar Nigam Limited
38	Shri Avishkar Naik CA, CS # &	44	Head - Listing Compliance	85,53,076	52,44,604	23	January 27, 2004	CA - R V Kadrekar & Company
39	Shri Gaurav Kapoor PGDM, BE	48	Vice President	1,10,95,073	69,20,343	25	September 17, 2007	Manager - ICICI Bank Limited
40	Shri Tojo Banerjee PGDHRM, ICWA %	49	Vice President	1,06,10,545	71,31,677	26	October 08, 2010	Zonal Head - ICICI Bank Limited
41	Shri Chetan Doshi MBA	46	Vice President	1,07,38,785	67,11,062	23	March 10, 2015	Head - IFA Strategy & BD Canara Rebeco Mutual Fund
42	Smt. Rehana D'souza MBA	51	Vice President	1,10,00,719	69,47,850	29	April 01, 2018	Consultant - National Stock Exchange of India Limited
43	Shri Sujoy Das BE %	51	Vice President	1,08,59,781	63,90,961	25	June 01, 2018	Associate Vice President NSE Infotech Services Limited
44	Shri Rajanish Nagwekar BE %	47	Vice President	1,21,78,511	76,46,302	24	June 01, 2018	Vice President NSE Infotech Services Limited
45	Shri Ajit Sinha MBA, LLB %	50	Vice President	91,18,487	63,06,225	25	December 03, 2018	Senior Legal Counsel HSBC Limited
46	Shri Sushil Limbulkar MBA, BE %	51	Vice President	72,33,086	48,11,874	28	February 08, 2021	Vice President Technology Metropolitan Stock Exchange of India Ltd
47	Shri Nilesh Tinaikar MMS & %	51	Vice President	1,12,79,913	66,08,244	27	August 01, 2021	Vice President NSE Clearing Limited
48	Smt. Sonali Karnik ICWA #	52	Vice President	50,67,403	36,00,348	28	December 01, 2021	Head Risk - Broking Tata Capital Limited
49	Shri Sanjaya Nair LLM, LLB % @	50	Vice President	25,15,830	20,24,528	26	November 21, 2022	Head of Legal and Compliance Officer Kotak Securities Ltd
50	Shri Omkeshwar Singh PGDM % @	46	Vice President	21,56,327	16,22,462	20	January 04, 2023	Head - Rank MF Samco Securities Ltd
51	Shri Sandip Mehta MMS @	50	Vice President	94,10,131	61,15,180	27	July 01, 2010	Consultant - National Stock Exchange of India Limited
52	Shri Rohit Kumar B Tech, MBA @	42	Vice President	99,91,751	65,90,769	17	September 11, 2014	Assistant Vice President Arthveda Fund Management

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
53	Smt. Ishita Vora MBA, BBM @	41	Vice President	1,24,95,396	76,70,943	21	January 27, 2015	General Manager Kary Investment Banking
54	Shri Aman Singhania MBA, FRM @	38	Vice President	1,16,60,935	75,90,028	16	September 7, 2016	Associate Director CRISIL Limited
55	Shri Ashish Krishna MBA %	46	Vice President	1,10,04,543	69,51,070	23	May 07, 2018	Director - Advisory Deals SBU Price Waterhouse and Coopers Pvt Ltd
56	Shri Amit Hataikar MMS, BE % @	51	Vice President	1,07,15,315	66,89,704	30	June 01, 2018	Vice President NSE Infotech Services Limited
57	Shri Abhilash Misra MBA., MMEM @	53	Vice President	1,13,60,078	73,56,716	33	August 01, 2018	Director – Global Outreach and Executive Education, India, Middle East and South Asia - The University of Chicago Booth School of Mumbai
58	Shri Bhavesh Shah MBA, Mcom %	47	Vice President	54,77,438	38,01,747	27	April 26, 2000	Account Officer Safari Industries (Ind) Ltd
59	Shri Virag Shah CA %	44	Vice President	80,60,709	51,71,844	20	December 13, 2004	Executive Accounts Hind Freight Service Ltd
60	Smt. Yuktii Sharma CA # &	43	Vice President	57,92,373	41,13,187	20	January 22, 2008	Internal Audit Manager ICICI Lombard
61	Smt. Kavita Ahuja MBA %	46	Vice President	66,28,195	45,12,509	21	October 15, 2008	Manager Kotak Mahindra Bank Ltd
62	Shri Premal Shah CA %	47	Vice President	94,51,199	64,29,032	18	November 27, 2015	Deputy General Manager Go Airlines (India) Ltd
63	Shri Shubhendu Dutta MBA, Btech % @	51	Vice President	43,57,642	32,95,896	25	August 01, 2022	Vice President Aujas CyberSecurity Ltd
64	Smt. Moushumi Mandal Suganth MMS # &	45	Vice President	94,69,211	62,56,757	22	December 01, 2019	Associate Vice President National Stock Exchange of India Limited
65	Smt. Meghana Mahadkar MMS %	43	Associate Vice President	39,70,354	28,62,998	19	May 24, 2005	Trainee HDFC Bank Ltd
66	Shri Soumick Roy LLB, MLS %	46	Associate Vice President	70,06,927	43,11,840	18	March 06, 2007	Personnel Officer Bharat Electronics Ltd
67	Shri Jamal Sharif MHRDMP %	52	Associate Vice President	45,82,150	33,13,822	29	June 14, 2012	Manager Administration National Institute Securities Markets
68	Shri Prem Dhage MBA, Mcom %	43	Associate Vice President	74,16,081	49,28,600	23	June 03, 2019	Senior Manager - HR Ops TE Connectivity Services India
69	Shri Sumit Agarwal CA %	40	Associate Vice President	94,17,203	62,57,840	16	August 01, 2019	Vice President Edelweiss Group
70	Shri Kunal Trivedi LLB, CS %	40	Chief Manager	41,94,157	31,34,518	14	June 24, 2019	AGM - Legal and Secretarial cum Company Secretary Samson Maritime Limited

**Notes :**

- 1 Gross Remuneration includes Salary and other benefits, Leave Encashment, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, Pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- 2 The above remuneration does not include interest on withheld variable pay of earlier years and amount paid towards gratuity.
- 3 Shri Vikram Limaye was the Managing Director & CEO upto July 16, 2022.
- 4 Shri AshishKumar Chauhan was appointed as Managing Director and CEO for a period of 5 years with effect from July 26, 2022.
- 5 Employees, whose names were marked with # are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with \$, remuneration received includes 50% variable pay pertaining to earlier period.
- 6 Employees, whose names were marked with % are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI effective from April 06, 2023.
- 7 Other employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules. Shri Mukesh Agarwal is in permanent employment of the subsidiary's subsidiary company, M/s. NSE Data & Analytics Limited and Shri Vikram Kothari and Smt. Moushumi Mandal Suganth are in permanent employment of the subsidiary company, M/s. NSE Clearing Limited. Their cost had been borne by the respective Companies. However, the remuneration has been disclosed as they are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI.
- 8 Smt. Yukti Sharma was Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI till April 05, 2023.
- 9 Shri Deviprasad Singh was Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI till September 06, 2022.
- 10 Shri Ashish Krishna was Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI till April 26, 2023.
- 11 None of the employees mentioned above is a relative of any Director.
- 12 Employees, in respect of whom Rule 5(2) applies but are on deputation to subsidiary company, even though partial / full remuneration has been recovered from the subsidiary Company, the remuneration has been disclosed in this report.
- 13 None of the employees is holding equity share(s) in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 14 The Company does not have any Employees Stock Option Plan(ESOP) Scheme for its employees.
- 15 Employees whose name has been marked with @ were employed with the company for part of the year.

## ANNEXURE 8

### INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018

Sr. No	KMP Name	KMP Compensation - NSEIL		
		KMP Compensation	Median of Compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
1	Shri AshishKumar Chauhan # @	5,65,41,475	14,00,008	40.39
2	Shri Vikram Limaye # & \$ @	6,35,65,531	14,00,008	45.40
3	Shri Ravi Varanasi # & \$ @	2,02,25,520	14,00,008	14.45
4	Shri Yatrik Vin # & \$	3,76,40,991	14,00,008	26.89
5	Shri Sriram Krishnan # @	74,03,296	14,00,008	5.29
6	Shri Mukesh Agarwal # &	3,53,44,393	14,00,008	25.25
7	Shri Hari K # &	2,59,89,829	14,00,008	18.56
8	Shri M Vasudev Rao # &	1,87,24,398	14,00,008	13.37
9	Smt. Priya Subbaraman # & \$	2,67,65,549	14,00,008	19.12
10	Shri Somasundaram K S # & \$	2,30,26,269	14,00,008	16.45
11	Shri Shiv Kumar Bhasin # & \$	2,45,18,840	14,00,008	17.51
12	Shri Shharad Dhakkate # @	34,19,649	14,00,008	2.44
13	Shri Saurov Ghosh # & @	84,09,053	14,00,008	6.01
14	Shri Vikram Kothari # & \$	2,34,22,061	14,00,008	16.73
15	Smt. Nisha Subhash # &	1,58,61,663	14,00,008	11.33
16	Shri Mayur Sindhwad # & \$	1,98,76,912	14,00,008	14.20
17	Shri Vitthal More %	1,39,80,651	14,00,008	9.99
18	Dr. Dinesh Soni # &	1,15,98,454	14,00,008	8.28
19	Shri Viral Mody #	1,52,76,021	14,00,008	10.91
20	Shri Arijit Sengupta %	2,08,58,068	14,00,008	14.90
21	Dr. Harish kumar Ahuja % @	25,18,522	14,00,008	1.80
22	Shri Manjunath Kashi #	1,55,66,788	14,00,008	11.12
23	Shri Arvind Goyal # &	93,33,278	14,00,008	6.67
24	Shri Amit Bhobe %	1,30,80,331	14,00,008	9.34
25	Shri Sanjay Sinha %	1,64,94,511	14,00,008	11.78
26	Shri Mahesh Soparkar %	96,10,491	14,00,008	6.86
27	Shri Sheshadri Meda # &	1,14,83,475	14,00,008	8.20
28	Shri Deviprasad Singh #	1,14,79,428	14,00,008	8.20
29	Dr. Tirthankar Patnaik %	1,98,88,511	14,00,008	14.21
30	Shri Rohit Gupte # &	1,19,45,715	14,00,008	8.53
31	Shri Sampath Manickam #	1,23,82,725	14,00,008	8.84
32	Shri Krishnan Iyer # @	56,00,682	14,00,008	4.00
33	Smt. Renu Bhandari # &	78,19,982	14,00,008	5.59
34	Shri Kiran Dusane %	1,20,40,811	14,00,008	8.60
35	Shri Bireswar Chatterjee #	1,11,58,426	14,00,008	7.97
36	Shri Avishkar Naik # &	85,53,076	14,00,008	6.11
37	Shri Tojo Banerjee %	1,06,10,545	14,00,008	7.58
38	Shri Sujoy Das %	1,08,59,781	14,00,008	7.76
39	Shri Rajanish Nagwekar %	1,21,78,511	14,00,008	8.70
40	Shri Ajit Sinha %	91,18,487	14,00,008	6.51
41	Shri Sushil Limbulkar %	72,33,086	14,00,008	5.17

Sr. No	KMP Name	KMP Compensation - NSEIL		
		KMP Compensation	Median of Compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
42	Shri Nilesh Tinaikar & %	1,12,79,913	14,00,008	8.06
43	Smt. Sonali Karnik #	50,67,403	14,00,008	3.62
44	Shri Sanjayu Nair % @	25,15,830	14,00,008	1.80
45	Shri Omkeshwar Singh % @	21,56,327	14,00,008	1.54
46	Shri Ashish Krishna %	1,10,04,543	14,00,008	7.86
47	Shri Amit Hatakar @ %	1,07,15,315	14,00,008	7.65
48	Shri Bhavesh Shah %	54,77,438	14,00,008	3.91
49	Shri Virag Shah %	80,60,709	14,00,008	5.76
50	Smt. Yukti Sharma # &	57,92,373	14,00,008	4.14
51	Smt. Kavita Ahuja %	66,28,195	14,00,008	4.73
52	Shri Premal Shah %	94,51,199	14,00,008	6.75
53	Shri Shubhendu Dutta % @	43,57,642	14,00,008	3.11
54	Smt. Moushumi Mandal Suganth # &	94,69,211	14,00,008	6.76
55	Smt. Meghana Mahadkar %	39,70,354	14,00,008	2.84
56	Shri Soumick Roy %	70,06,927	14,00,008	5.00
57	Shri Jamal Sharif %	45,82,150	14,00,008	3.27
58	Shri Prem Dhage %	74,16,081	14,00,008	5.30
59	Shri Sumit Agarwal %	94,17,203	14,00,008	6.73
60	Shri Kunal Trivedi %	41,94,157	14,00,008	3.00

**Notes :**

- Gross Remuneration includes Salary and other benefits, Leave Encashment, Company's contribution to Provident Fund, Pension, Superannuation Fund, taxable value of perquisites etc. Net remuneration represents gross remuneration less Company's contribution to provident, Pension and superannuation funds, taxable value of perquisites, profession tax and income tax. Where applicable, the amounts also include certain allowances accrued during previous year(s) but claimed in the current year.
- The above remuneration does not include interest on withheld variable pay of earlier years and amount paid towards gratuity.
- Shri Vikram Limaye was the Managing Director & CEO upto July 16, 2022.
- Shri AshishKumar Chauhan was appointed as Managing Director and CEO for a period of 5 years with effect from July 26, 2022.
- Employees, whose names were marked with # are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with \$, remuneration received includes 50% variable pay pertaining to earlier period.
- Employees, whose names were marked with % are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI effective from April 06, 2023.
- Shri Mukesh Agarwal is in permanent employment of the subsidiary's subsidiary company, M/s. NSE Data & Analytics Limited and Shri Vikram Kothari and Smt. Moushumi Mandal Suganth are in permanent employment of the subsidiary company, M/s. NSE Clearing Limited. Their cost had been borne by the respective Companies. However, the remuneration has been disclosed as they are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI.
- Smt. Yukti Sharma was Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI till April 05, 2023.
- Shri Deviprasad Singh was Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI till September 06, 2022.
- Shri Ashish Krishna was Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI till April 26, 2023.
- Employees who were on deputation to subsidiary company, even though partial / full remuneration has been recovered from the subsidiary Company, the remuneration has been disclosed in this report.
- Median for compensation to all employees is based on Cost to Company (CTC).
- Employees marked with @ were employed with the company for part of the year.

# Consolidated Financial Statement



## Independent Auditor's Report

To the Members of

**National Stock Exchange of India Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of National Stock Exchange of India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate companies, which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associate companies as at March 31, 2023, of the consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, and its associate companies in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have

obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Paragraphs 17 and 18 of the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to paragraph 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

4. We draw your attention to Note 35(b) to the consolidated financial statements, relating to the matters with the Securities and Exchange Board of India ("SEBI"). SEBI issued orders on April 30, 2019, wherein disgorgement/ demand aggregating ₹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 Holding Company pursuant to an investigation conducted in relation to preferential access to tick-by-tick data at the Holding Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters ("Orders"). SEBI further directed the Holding Company to undertake certain remedial measures, actions and imposed restrictions ("Other Directives"). The Holding 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 ₹1 crore each for the Colocation facility matter and the Governance matter, and ₹7 crores for the Dark Fiber point to point connectivity matter ("the Adjudication Orders"). The Holding Company had deposited ₹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 Holding 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 ₹624.89 crores (along with interest at the rate of 12% p.a.) and imposing a penalty of ₹100 crores on the Holding Company as a deterrent for

the lack of due diligence and other lapses in compliance. The Holding Company has recognised such penalty amount of ₹100 crores which is included in other expenses in the consolidated financial statements during the year ended March 31, 2023. In this regard, SEBI filed an appeal before the Hon'ble Supreme Court, which has directed SEBI to refund ₹300 crores to the Holding Company vide its order dated March 20, 2023. In case SEBI's appeal is allowed by the Hon'ble Supreme Court, the Holding Company is required to repay such amount of ₹300 crores to SEBI. The Dark Fiber point to point connectivity, Governance related matters and the Adjudication 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 Holding Company, no provision for any liability (other than penalty amount of ₹100 crores as mentioned above) has been recognised towards the above matters in the consolidated financial statements, which continue to be disclosed as contingent liability in Note 35 to the consolidated financial statements. Our opinion is not modified in respect of these matters.

5. The following Emphasis of matter paragraph has been included in the Independent Auditor's Report on the

financial statements of NSE IFSC Limited, a Subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide their report dated April 13, 2023, reproduced by us as under:

We draw attention to Note 37\* to the Financial Statement regarding Net worth of USD 1.37 million of the Company for the period from December 31, 2022 to February 17, 2023, which was below the prescribed Net worth of USD 3 million at all times as per International Financial Services Authority (Market Infrastructure Institutions) Regulations, 2021, before infusion of ~ USD 6.04 million (equivalent ₹50 crores) by its holding company. Our opinion is not modified in respect of this matter".

*\*This note is included in Note 41(d) to the consolidated financial statements.*

#### Key audit matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><u>Assessment of provisions made and contingent liabilities disclosed with regard to legal, regulatory and tax matters</u></p> <p>[Refer Note 35 to the consolidated financial statements]</p> <p>As of March 31, 2023, the Holding Company has ongoing regulatory proceedings, inspections and inquiries with various regulatory authorities including SEBI (other than that described in the Emphasis of Matter paragraph above), ongoing proceedings with tax authorities involving certain direct and indirect tax matters including disallowance of certain expenses under income tax (uncertain tax positions), applicability of service tax on certain services, case filed by a competitor against the Holding Company pending with Competition Appellate Tribunal and various other ongoing litigations, including claims by its members.</p> <p>The Holding Company has assessed the above pending matters related to litigations, regulatory proceedings, inspections and inquiries and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.</p>	<p>Our audit procedures related to legal, regulatory and tax matters included–</p> <ul style="list-style-type: none"> <li>Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters.</li> <li>Obtaining details of litigations in respect of legal, direct and indirect tax matters, SEBI and other regulatory proceedings, inspections, inquiries.</li> <li>Examining orders and/or communications with regulatory authorities and Management responses and reports thereto.</li> <li>Inspecting the supporting documents to evaluate Management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements.</li> <li>Evaluating, along with the auditor's experts, the status of the direct and indirect tax matters.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p>This area is considered as a key audit matter, as evaluation of these matters requires Management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outcome of ongoing proceedings and outflow of economic resources, if any, and the recognition of provisions, disclosure of contingent liabilities and related disclosures to be made in the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>• Examining expert’s legal advice/opinion obtained by the Holding Company’s Management for evaluating certain legal, regulatory and tax matters.</li> <li>• Evaluating competence and capabilities of the Management’s experts.</li> <li>• Assessing the adequacy of disclosures related to these matters in the consolidated financial statements.</li> </ul> <p>Based on our above procedures, the provisions recognised by the Holding Company, and contingent liabilities disclosed with regard to legal, regulatory and tax matters is reasonable.</p>

7. The following Key Audit Matter was included in the audit report dated May 10, 2023, containing an unmodified audit opinion on the consolidated financial statements of NSE Clearing Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How the other auditor addressed the key audit matter
<p><u>Legal, regulatory matters and uncertain tax positions</u></p> <p>As of March 31, 2023, NSE Clearing Limited has various ongoing litigations on legal, regulatory matters and proceedings with tax authorities involving uncertain direct and indirect tax positions.</p> <p>Refer note 32, 33 and 35 to the consolidated financial statements of NSE Clearing Limited*</p> <p><u>Uncertain direct and indirect tax positions</u></p> <p>There are various direct and indirect tax cases against NSE Clearing Limited, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc.</p> <p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the consolidated financial statements.</p>	<p>Our audit procedures related to legal, regulatory matters and uncertain tax positions included–</p> <ul style="list-style-type: none"> <li>• Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters.</li> <li>• Obtaining details of litigations on legal, regulatory matters and uncertain direct and indirect tax positions.</li> <li>• Reviewing orders and management responses thereto.</li> <li>• Inspecting the supporting documents to evaluate management’s assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements.</li> <li>• Reviewing expert’s legal advice/opinion obtained by NSE Clearing Limited’s management for evaluating certain legal, regulatory and tax matters.</li> <li>• Evaluating competence and capabilities of the experts.</li> </ul> <p>Based on the above procedure, we noted that NSE Clearing Limited has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.</p>

\*These notes are included in Note 35 to the consolidated financial statements.

### Other Information

8. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does

not include the consolidated financial statements and our and other auditor’s report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group including its associate companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in

the Group and of its associate companies are responsible for assessing the ability of the Group and of its associate companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for overseeing the financial reporting process of the Group and of its associate companies.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant

ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

17. The financial statements of one subsidiary included in the consolidated financial statements, which constitute total assets of ₹30.13 crores and net assets of ₹25.84 crores as at March 31, 2023, total income from donations of ₹48.22 crores, total expenditure over income after tax of ₹4.57 crores and net cash outflows amounting to ₹0.89 crores for the year then ended have been audited by us jointly along with other auditor.
18. We did not audit the financial statements of one subsidiary and the consolidated financial statements of two subsidiaries, whose financial statements reflect total assets of ₹16,696.89 crores and net assets of ₹4,716.99 crores as at March 31, 2023, total revenue of ₹2,619.23 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹923.37 crores and net cash outflows amounting to ₹4,203.15 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive loss (comprising of loss and other comprehensive income) of ₹3.10 crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and one associate company and our report in terms of

sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and one associate company, is based solely on the reports of the other auditors.

19. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹93.66 crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of five associate companies, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate companies, is based solely on such unaudited financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

20. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxii) of CARO 2020.
21. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other

comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies, and its associate companies incorporated in India is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, and its associate companies – Refer Note 35 to the consolidated financial statements.
  - The Group and its associate companies were not required to recognise a provision as at March 31, 2023, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group and its associates did not have any derivative contracts as at March 31, 2023.- Refer Note 50 to the consolidated financial statements.
  - There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company

and its subsidiaries, and associate companies incorporated in India during the year. - Refer Note 51 to the consolidated financial statements.

- iv. (a) The respective Managements of the Holding Company and its subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate companies respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate companies to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and associate companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate companies respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries and associate companies from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid during the year by the Holding Company, its subsidiaries, associate companies is in compliance with Section 123 of the Act.
- vi. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Group and its associate companies for maintenance of books of account and related matters, is applicable for the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 is currently not applicable.
22. The Group and its associate companies have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Firm Registration Number: 304026E / E- 300009

**Sumit Seth**

*Partner*

Membership Number 105869

UDIN : 23105869BGNZYI7308

Place: San Diego, United States of America

Date: May 15, 2023

## Annexure A to Independent Auditor's Report

Referred to in paragraph 21(f) of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the consolidated financial statements as of and for the year ended March 31, 2023

### Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of National Stock Exchange of India Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, and its associate companies, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We

conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements

for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies, and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating

effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the financial statements of two subsidiary companies (including one subsidiary company jointly audited with other auditor), consolidated financial statements of two subsidiary companies and financial statements of one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.
10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include the reporting of five associate companies, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Holding Company's Management, the financial information of these five associate companies are not material to the Group. Our opinion is not modified in respect of this matter.

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

Firm Registration Number: 304026E / E- 300009

#### **Sumit Seth**

*Partner*

Membership Number 105869

UDIN : 23105869BGNZYI7308

Place: San Diego, United States of America

Date: May 15, 2023

## Annexure B to Independent Auditor's Report

Referred to in paragraph 20 of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone and consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	NSE IFSC Limited	U65100GJ2016PLC094517	Subsidiary	April 13, 2023	3.(xvii) The Company has incurred cash loss of ₹6,790.63 lakhs (USD 84.37 lakhs) during the financial year 2022-23 covered by our audit and ₹4,119.54 lakhs (USD 55.41 lakhs) for the immediately preceding financial year 2021-22. 3.(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that material uncertainty exists as on the date of the audit report that Company on its own may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, National Stock Exchange of India Limited, holding company, has approved equity investment of ₹100 crores in the Company in one or more tranches as and when required. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due. (refer note 34(C) to the financial statements)
2.					

The statutory audit report on the financial statements for the year ended March 31, 2023, of Five associate companies of the Holding Company has not been issued until the date of this report. Accordingly, no comments for the said associate companies have been included for the purpose of reporting under this clause.

### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

#### Sumit Seth

Partner

Membership Number 105869

UDIN : 23105869BGNZYI7308

Place: San Diego, United States of America

Date: May 15, 2023

## Consolidated Balance Sheet as at March 31, 2023

(₹ in Crores)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2 a	936.35	964.84
Right of use assets	2 b	185.39	165.82
Capital work-in-progress	2 a	53.42	90.54
Goodwill	3	206.86	410.89
Other intangible assets	3	70.93	88.80
Intangible assets under development	3	45.07	67.16
Investment in associates accounted for using the equity method	39	649.44	563.71
Financial assets			
- Investments	4	9,148.79	4,915.59
- Other financial assets			
Non-current bank balances	5	952.90	289.35
Others	5	27.38	13.59
Income tax assets (net)	21	538.38	498.20
Deferred tax assets (net)	19 c	11.32	20.42
Other non-current assets	7	773.13	1,129.46
<b>Total non-current assets</b>		<b>13,599.36</b>	<b>9,218.37</b>
<b>Current assets</b>			
Financial assets			
- Investments	9	8,156.51	7,941.67
- Trade receivables	10	1,589.21	1,614.95
- Cash and cash equivalents *	11	5,897.51	9,557.18
- Bank balances other than cash and cash equivalents *	12	5,685.67	6,765.56
* Includes ₹4,053.13 crores (Previous Year : ₹8,563.11 crores) pertaining to settlement obligation and margin money from members			
- Other financial assets	6	141.51	278.59
Other current assets	8	708.36	230.68
<b>Total current assets</b>		<b>22,178.77</b>	<b>26,388.63</b>
Assets classified as held for sale	53	786.21	-
<b>TOTAL ASSETS</b>		<b>36,564.34</b>	<b>35,607.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	13 a	49.50	49.50
Other equity	13 b	20,428.98	15,360.93
<b>Equity attributable to owners of National Stock Exchange of India Limited</b>		<b>20,478.48</b>	<b>15,410.43</b>
Non controlling interest	13 b	1.91	7.85
<b>Total Equity</b>		<b>20,480.38</b>	<b>15,418.28</b>
<b>SETTLEMENT GUARANTEE FUND</b>			
- Core settlement guarantee fund paid	37	4,809.13	3,982.02
- Core settlement guarantee fund payable	37	224.48	23.10
- Settlement guarantee fund paid - commodity derivatives	37	250.00	250.00
		<b>5,283.61</b>	<b>4,255.12</b>

## Consolidated Balance Sheet (contd...)

(₹ in Crores)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
<b>INVESTOR PROTECTION FUND</b>	41 b	0.19	0.11
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Lease liabilities	38	112.88	97.09
- Other financial liabilities	15	16.35	118.40
Provisions	17 a	52.14	52.70
Deferred tax liabilities (net)	19 c	158.35	137.90
Contract liabilities	17 b	69.34	58.11
Other non-current liabilities	22	5.41	5.41
<b>Total non-current liabilities</b>		<b>414.47</b>	<b>469.61</b>
<b>Current liabilities</b>			
Financial liabilities			
- Lease liabilities	38	23.44	17.59
- Deposits	24	2,881.11	2,323.63
- Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		1.88	7.99
Total outstanding dues of creditors other than micro enterprises and small enterprises		260.28	341.22
- Other financial liabilities*	16	4,602.90	9,247.15
* Includes ₹4,053.13 crores (Previous Year : ₹8,563.11 crores) pertaining to settlement obligation and margin money from members			
		<b>7,769.61</b>	<b>11,937.58</b>
Provisions	18 a	86.26	128.08
Contract liabilities	18 b	3.86	2.69
Income tax liabilities (net)	20	508.01	302.18
Other current liabilities	23	1,596.41	3,093.35
Liabilities directly associated with assets classified as held for sale	53	421.54	-
<b>Total current liabilities</b>		<b>10,385.69</b>	<b>15,463.88</b>
<b>TOTAL LIABILITIES</b>		<b>10,800.16</b>	<b>15,933.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,564.34</b>	<b>35,607.00</b>
Summary of significant accounting policies	1		
The above consolidated balance sheet should be read in conjunction with the accompanying notes			

This is the Consolidated Balance sheet referred to in our report of even date

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

Chartered Accountants

Firm's Registration no : 304026E / E-300009

**For and on behalf of the Board of Directors**

**Sumit Seth**

Partner

Membership No.: 105869

**Girish Chandra Chaturvedi**

Chairman

[DIN: 00110996]

**K. Narasimha Murthy**

Director

[DIN: 00023046]

**Ashishkumar Chauhan**

Managing Director & CEO

[DIN: 00898469]

Place : San Diego, United States of America

Date : May 15, 2023

**Yatrik Vin**

Group CFO & Head Corporate Affairs

**Rohit Gupte**

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>CONTINUING OPERATIONS</b>			
<b>INCOME</b>			
Revenue from operations	25	11,856.23	8,313.13
Other income	26	909.13	560.66
<b>Total income</b>		<b>12,765.36</b>	<b>8,873.79</b>
<b>EXPENSES</b>			
Employee benefits expense	27	366.05	356.35
Depreciation and amortisation expense	2(a), 2(b), 3	384.06	310.45
Other expenses	28	1,858.72	1,351.51
<b>Total expenses (excluding contribution to Core settlement guarantee fund (Core SGF))</b>		<b>2,608.83</b>	<b>2,018.31</b>
<b>Profit before Exceptional items, contribution to Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax from Continuing Operations</b>		<b>10,156.53</b>	<b>6,855.48</b>
Share of net profits of associates accounted for using equity method	39	88.50	90.28
<b>Profit before Exceptional items, Contribution to Core SGF and Tax</b>		<b>10,245.03</b>	<b>6,945.76</b>
<b>Exceptional items</b>			
Profit on sale of investment in Power Exchange of India Limited	39.2	-	1.62
Reversal of provision for Impairment of Intangible assets under development	52	-	68.23
Settlement compensation towards cancellation of contracts	52	-	15.63
<b>Profit after Exceptional items before Contribution to Core SGF and Tax</b>		<b>10,245.03</b>	<b>7,031.24</b>
Contribution to Core settlement guarantee fund	37	(203.45)	-
<b>Profit before Tax from Continuing Operations</b>		<b>10,041.58</b>	<b>7,031.24</b>
Less: Income Tax expense			
Current tax expense	19 (a)	2,521.01	1,685.93
Deferred tax expense / (benefit)	19 (a)	18.69	12.41
<b>Total tax expenses</b>		<b>2,539.70</b>	<b>1,698.34</b>
<b>Profit from Continuing Operations</b>		<b>7,501.88</b>	<b>5,332.90</b>
<b>Discontinued Operations</b>			
(Loss) from discontinued operations before tax	53	(127.97)	(118.95)
Tax expense of discontinued operations	53	(17.92)	(15.66)
<b>(Loss) from discontinued operations</b>	53	<b>(145.89)</b>	<b>(134.61)</b>
<b>Net Profit after Tax (A)</b>		<b>7,355.99</b>	<b>5,198.29</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified to profit or loss</i>			
Changes in fair value of FVOCI debt instruments	13 b	(28.86)	(16.85)
Changes in foreign currency translation reserve	13 b	7.28	3.20
Changes in foreign currency translation reserve pertaining to discontinued operations	53	0.26	0.26
<i>Income tax relating to items that will be reclassified to profit or loss</i>			
Changes in fair value of FVOCI debt instruments	13 b	7.26	4.24
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	13 b	0.99	(1.14)
Remeasurements of post-employment benefit obligations pertaining to discontinued operations	53	(3.20)	(1.49)
Share of other comprehensive income of associates accounted for using the equity method	13 b	2.06	0.70
Changes in fair value of FVOCI equity instruments	13 b	(7.04)	(6.36)

## Consolidated Statement of Profit and Loss *(contd...)*

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
<i>Income tax relating to items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	13 b	(0.11)	0.18
Remeasurements of post-employment benefit obligations pertaining to discontinued operations	53	0.80	0.38
Share of other comprehensive income of associates accounted for using the equity method	13 b	(0.01)	(0.14)
Changes in fair value of FVOCI equity instruments	13 b	2.52	2.50
<b>Total other comprehensive income / (loss) for the year, net of taxes (B)</b>		<b>(18.05)</b>	<b>(14.52)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>7,337.94</b>	<b>5,183.77</b>
<b>Profit is attributable to :</b>			
Owners of National Stock Exchange of India Limited		7,354.81	5,194.97
Non-Controlling Interests		1.18	3.32
<b>Other comprehensive income is attributable to :</b>			
Owners of National Stock Exchange of India Limited		(18.04)	(14.49)
Non-Controlling Interests		(0.01)	(0.03)
<b>Total comprehensive income is attributable to :</b>			
Owners of National Stock Exchange of India Limited		7,336.77	5,180.48
Non-Controlling Interests		1.17	3.29
<b>Total comprehensive income attributable to owners of National Stock Exchange of India Limited arises from</b>			
Continuing Operations		7,485.97	5,319.23
Discontinued Operations		(149.20)	(138.75)
<b>Earnings per equity share for profit from continuing operations attributable to owners of National Stock Exchange of India Limited ( FV Re. 1 each)</b>			
Basic & Diluted (₹)	29	151.55	107.74
<b>Earnings per equity share for profit / losses from discontinued operations attributable to owners of National Stock Exchange of India Limited ( FV Re. 1 each)</b>			
Basic & Diluted (₹)	29	(2.97)	(2.79)
<b>Earnings per equity share for profit from continuing and discontinued operations attributable to owners of National Stock Exchange of India Limited ( FV Re. 1 each)</b>			
Basic & Diluted (₹)	29	148.58	104.95
Summary of significant accounting policies	1		
The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes			

This is the Consolidated Statement of Profit & loss referred to in our report of even date

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

Chartered Accountants

Firm's Registration no : 304026E / E-300009

**For and on behalf of the Board of Directors**

**Sumit Seth**

Partner

Membership No.: 105869

**Girish Chandra Chaturvedi**

Chairman

[DIN: 00110996]

**K. Narasimha Murthy**

Director

[DIN: 00023046]

**Ashishkumar Chauhan**

Managing Director & CEO

[DIN: 00898469]

Place : San Diego, United States of America

Date : May 15, 2023

**Yatrik Vin**

Group CFO & Head Corporate Affairs

**Rohit Gupte**

Company Secretary

## Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(A) Equity share capital	(₹ in Crores)
Balance as at 01.04.2021	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2022	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2023	<b>49.50</b>

### (B) OTHER EQUITY

Particulars	(₹ in Crores)													
	Securities premium reserve	Retained earnings *	Risk capital management reserve	Liquidity Enhancement Scheme Incentive Reserve	Reserve Fund	Other reserves **	Total Reserves and Surplus	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Total other reserves	Total other Equity	Non Controlling Interests	Total other Equity
<b>Balance as at 01.04.2021</b>	<b>35.50</b>	<b>10,885.73</b>	<b>-</b>	<b>1.00</b>	<b>490.52</b>	<b>63.89</b>	<b>11,476.64</b>	<b>14.01</b>	<b>86.61</b>	<b>9.17</b>	<b>109.79</b>	<b>11,586.43</b>	<b>0.02</b>	<b>11,586.45</b>
Profit for the year	-	5,194.97	-	-	-	-	5,194.97	-	-	-	-	5,194.97	3.32	5,198.29
Other Comprehensive income/(loss)	-	(1.48)	-	-	-	-	(1.48)	(12.61)	(3.86)	3.46	(13.01)	(14.49)	(0.03)	(14.52)
Redemption liability	-	(181.29)	-	-	-	-	(181.29)	-	-	-	-	(181.29)	-	(181.29)
Share based payment	-	0.44	-	-	-	-	0.44	-	-	-	-	0.44	-	0.44
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(10.78)	-	10.78	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	10.78	-	(10.78)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(44.66)	-	-	44.66	-	-	-	-	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>														
Dividend paid	-	(1,225.13)	-	-	-	-	(1,225.13)	-	-	-	-	(1,225.13)	-	(1,225.13)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	4.54	4.54
<b>Balance as at 31.03.2022</b>	<b>35.50</b>	<b>14,628.58</b>	<b>-</b>	<b>1.00</b>	<b>535.18</b>	<b>63.89</b>	<b>15,264.15</b>	<b>1.40</b>	<b>82.75</b>	<b>12.63</b>	<b>96.78</b>	<b>15,360.93</b>	<b>7.85</b>	<b>15,368.78</b>

## Consolidated Statement of Changes in Equity for the year ended March 31, 2023

Particulars	Reserves and Surplus					Other reserves **	Total Reserves and Surplus	Other Reserves				Total other Equity	Non Controlling Interests	Total other Equity
	Securities premium reserve	Retained earnings *	Risk capital management reserve	Liquidity Enhancement Scheme Incentive Reserve	Reserve Fund			Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Total other reserves			
<b>Balance as at 01.04.2022</b>	<b>35.50</b>	<b>14,628.58</b>	-	<b>1.00</b>	<b>535.18</b>	<b>63.89</b>	<b>15,264.15</b>	<b>1.40</b>	<b>82.75</b>	<b>12.63</b>	<b>96.78</b>	<b>15,360.93</b>	<b>7.85</b>	<b>15,368.78</b>
Profit for the year	-	7,354.81	-	-	-	-	7,354.81	-	-	-	-	7,354.81	1.18	7,355.99
Other Comprehensive income/ (loss)	-	0.54	-	-	-	-	0.54	(21.60)	(4.52)	7.54	(18.58)	(18.04)	(0.01)	(18.05)
Redemption liability	-	4.79	-	-	-	-	4.79	-	-	-	-	4.79	-	4.79
Share based payment	-	0.58	-	-	-	-	0.58	-	-	-	-	0.58	0.80	1.38
Contribution to Core Settlement Guarantee Fund (Core SGF) (net of tax)	-	(200.47)	-	-	-	-	(200.47)	-	-	-	-	(200.47)	-	(200.47)
Transfer to Risk reserve	-	(6,583.00)	6,583.00	-	-	-	-	-	-	-	-	-	-	-
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(13.32)	-	13.32	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	13.32	-	(13.32)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(55.93)	-	-	55.93	-	-	-	-	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>														
Dividend paid	-	(2,079.00)	-	-	-	-	(2,079.00)	-	-	-	-	(2,079.00)	-	(2,079.00)
Change in non controlling interest of a subsidiary	-	5.37	-	-	-	-	5.37	-	-	-	-	5.37	(7.91)	(2.54)
<b>Balance as at 31.03.2023</b>	<b>35.50</b>	<b>13,076.27</b>	<b>6,583.00</b>	<b>1.00</b>	<b>594.11</b>	<b>63.89</b>	<b>20,350.77</b>	<b>(20.20)</b>	<b>78.23</b>	<b>20.17</b>	<b>78.20</b>	<b>20,428.98</b>	<b>1.91</b>	<b>20,430.88</b>

Particulars	31.03.2023	31.03.2022
* Includes General Reserves	4,441.04	4,441.04
** Includes capital reserve on consolidation	39.39	39.39
** Includes capital redemption reserve	13.00	13.00
** Includes staff welfare reserve	1.50	1.50
** Includes investor compensation reserve	10.00	10.00

### (B) OTHER EQUITY

(₹ in Crores)

## Consolidated Statement of Changes in Equity for the year ended March 31, 2023

### Other Equity

#### Securities premium reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

#### Risk reserve:

The Board of Directors of National Stock Exchange of India Limited in its meeting held on May 15, 2023, has decided to appropriate an amount of ₹6,583 crores from retained earnings to a separate reserve within equity towards adequate risk capital management.

#### Liquidity enhancement scheme incentive reserve:

One of the subsidiary has created Liquidity enhancement scheme incentive reserve in accordance with the IFSC Authority circular dated March 31, 2022, which has issued guidelines for Liquidity Enhancement Scheme. Accordingly the subsidiary has created a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme.

#### Reserve Fund:

One of the subsidiary has created reserve fund under section 45-IC (1) of Reserve Bank of India Act 1934, wherein every Non Banking Financial Company has to transfer 20% of its post tax profit to a corpus termed as Reserve Fund.

#### Other Reserves:

The Group has in the past created Other Reserves for investor compensation activities, staff welfare activities, capital redemption reserve and capital reserve arising on consolidation.

#### Debt instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Consolidated Statement of Profit and Loss.

#### Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### Foreign Currency Translation Reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

This is the Consolidated Statement of changes in equity referred to in our report of even date

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

Chartered Accountants

Firm's Registration no : 304026E / E-300009

#### Sumit Seth

Partner

Membership No.: 105869

Place : San Diego, United States of America

Date : May 15, 2023

#### Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

#### Yatrik Vin

Group CFO & Head Corporate Affairs

#### For and on behalf of the Board of Directors

#### K. Narasimha Murthy

Director

[DIN: 00023046]

#### Ashishkumar Chauhan

Managing Director & CEO

[DIN: 00898469]

#### Rohit Gupte

Company Secretary

## Statement of Consolidated Cash Flows for the year ended March 31, 2023

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>PROFIT BEFORE TAX FROM</b>		
Continuing Operations	10,041.58	7,031.24
Discontinued Operations	(127.97)	(118.95)
<b>PROFIT BEFORE TAX INCLUDING DISCONTINUED OPERATIONS</b>	<b>9,913.61</b>	<b>6,912.29</b>
<b>Adjustments for</b>		
Depreciation and amortisation expense	415.92	338.36
Interest income from financial assets at amortised cost	(301.26)	(168.04)
Income from investments	(328.54)	(256.07)
Interest income from investments designated at FVOCI	(114.86)	(55.65)
Rental income	(1.32)	(3.05)
Dividend income from equity investments designated at FVOCI	(0.39)	(0.59)
Net gain on financial assets mandatorily measured at FVPL	(359.94)	(252.82)
Net gain on sale of financial assets mandatorily measured at FVPL	(105.11)	(66.94)
Profit on sale of investment in Power Exchange of India Limited	-	(1.62)
Net (gain) / loss on disposal of property, plant and equipment	-	(0.25)
Doubtful debts written off	14.59	8.29
Provision for doubtful debts	0.06	21.92
Reversal/ (Provision) for Impairment / write off of Intangible assets under development	60.81	(68.23)
Settlement compensation towards cancellation of contracts	-	(21.10)
Loss on sale of discarded assets	0.65	0.18
Share of net profit of associates accounted by using equity method	(88.50)	(90.28)
Contribution to Core settlement guarantee fund	199.45	-
Interest on lease liabilities	8.61	8.90
<b>Change In operating assets and liabilities</b>		
(Increase)/ Decrease in trade receivables	(216.19)	(646.58)
Increase/ (Decrease) in trade payables	54.18	108.71
(Increase)/ Decrease in other financial assets	(0.86)	37.81
(Increase)/ Decrease in other assets	(150.80)	(454.37)
Increase/ (Decrease) in other financial liabilities	(4,631.68)	559.27
Increase/ (Decrease) in provisions	0.29	58.11
Increase/ (Decrease) in other liabilities	(1,395.12)	680.44
(Refund)/ Proceeds of deposits	557.48	343.25
Change in core settlement guarantee fund	561.23	462.30
<b>CASH GENERATED FROM OPERATIONS</b>	<b>4,092.32</b>	<b>7,454.24</b>
Income taxes paid	(2,357.83)	(1,622.55)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES - TOTAL (A)</b>	<b>1,734.49</b>	<b>5,831.69</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment and intangibles assets	(406.42)	(599.64)
Proceeds from property, plant and equipment and intangibles assets	2.75	90.87
Proceeds from rental income	1.32	3.05
(Payment) / proceeds from investments (Net)	(4,031.12)	(3,194.83)
Proceeds from sale of investment in Power Exchange of India Limited	-	1.62
(Payment) / proceeds from investments in deposits with financial institutions (Net)	115.38	193.57
Payment for acquisition of subsidiary (net of cash acquired)	-	(13.52)
Payment for investment in associates	(10.00)	(20.00)
(Payment) / proceeds from fixed deposits / Bank balances other than cash & cash equivalents (Net)	350.99	(1,216.51)
Interest received	744.84	555.71
Dividend received (including dividend from associate companies)	15.21	14.41
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES - TOTAL (B)</b>	<b>(3,217.04)</b>	<b>(4,185.27)</b>

## Statement of Consolidated Cash Flows (contd...)

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,079.00)	(1,224.97)
Acquisition of non controlling interest in subsidiary	(2.54)	(4.09)
Payment of lease liabilities	(9.83)	(20.35)
Interest on lease liabilities	(8.61)	(8.90)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)</b>	<b>(2,099.98)</b>	<b>(1,258.31)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>	<b>(3,582.53)</b>	<b>388.11</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	9,557.18	9,169.07
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	5,974.65	9,557.18
<i>* Includes amount received from members towards settlement obligation and margin money.</i>		
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,582.53)</b>	<b>388.11</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR COMPRISES OF</b>		
Cash and cash equivalents from continuing operations	5,897.51	9,557.18
Cash and cash equivalents classified as held for sale	77.14	-
	<b>5,974.65</b>	<b>9,557.18</b>
<b>Non-cash investing and financing activities</b>		
- Acquisition of Right-of-use assets.	53.51	64.18
- Redemption liability	-	181.29
<b>Reconciliation of cash and cash equivalents as per the statement of cash flows</b>		
Cash and cash equivalents as per above comprise of the following		
Balances with banks :-		
Deposits with original maturity of less than three months	542.83	7.70
Government Securities with original maturity of less than three months	39.38	-
In current accounts	5,392.43	9,549.47
Cash on hand	0.01	0.01
Bank overdrafts	-	-
Balances per statement of cash flows	5,974.65	9,557.18

The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Indian Accounting Standards) Rules, 2015.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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

Chartered Accountants

Firm's Registration no : 304026E / E-300009

**For and on behalf of the Board of Directors**

**Sumit Seth**

Partner

Membership No.: 105869

**Girish Chandra Chaturvedi**

Chairman

[DIN: 00110996]

**K. Narasimha Murthy**

Director

[DIN: 00023046]

**Ashishkumar Chauhan**

Managing Director & CEO

[DIN: 00898469]

Place : San Diego, United States of America

Date : May 15, 2023

**Yatrik Vin**

Group CFO & Head Corporate Affairs

**Rohit Gupte**

Company Secretary

## Notes to consolidated financial statements for the year ended March 31, 2023

### BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

#### Background

The National Stock Exchange of India Limited (“NSE” or “the Parent Company”) established in 1992 is the first demutualised electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments.

The consolidated financial statements relates to the Parent Company and its subsidiary companies (collectively referred to as “the Group”).

#### Note 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements (“financial statements”). These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of preparation

###### (i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Group has determined current and non-current classification of its assets and liabilities in the financial statements as per Ind AS 1 – ‘Presentation of financial statements’. Based on its assessment, the company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below

###### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets measured at fair value.
- assets held for sale – measured at fair value less cost to sell.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (iii) Principles of consolidation and equity accounting

#### i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

#### ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

#### iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

#### iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (h) below

#### v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between

## Notes to consolidated financial statements for the year ended March 31, 2023

the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### **(iv) Adoption of new Accounting Standards**

The Ministry of Corporate Affairs has vide notification dated March 23, 2022, notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective from April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## **(b) Foreign currency translation and transactions**

### **(i) Functional and presentation currency**

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian currency (₹), which is the Group's functional and presentation currency.

### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in statement of profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

### **(iii) Group Companies**

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit or loss, as part of the gain or loss on sale.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (c) Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods or services. The Group recognises revenue in the period in which it satisfies its performance obligation by transferring promised goods or services to the customer. The sources of revenue and Group's accounting policy are as follows:

- (i) Transaction charges – revenue in respect of trading transactions on exchanges is recognised in accordance with the Group's fee scales at a point in time as an when the transaction is completed.
- (ii) Listing fees - Revenue for listings fees is recognised when the listing event has taken place and processing fees in relation to listing is recognised on a straight-line basis over the period to which they relate.
- (iii) Book building fees – revenue is recognised at a point in time on completion of the book building process.
- (iv) Colocation Charges - revenue is recognised over the period of the contract with the customer. The revenue is calculated based on the specified charges for colocation racks and is recognised in the period in which the performance obligation is satisfied.
- (v) Clearing & Settlement Services - revenue in respect of clearing and settlement of transactions executed on exchanges is recognised in accordance with the fee scales at a point in time as an when the transaction is completed.
- (vi) Revenue from Technology services comprises Application Development and Maintenance services, E-learning Solutions, Online examination services, Infrastructure Management Services, IT security services and IT cloud services. Revenue from time and material and job contracts is recognised using the output method measured by units delivered, efforts expended, number of transactions processed, etc. Revenue related to fixed price maintenance and support services contracts, where the Group is standing ready to provide services is recognised based on time elapsed on a straight line basis over the period of performance. In respect of other fixed-price contracts, revenue is recognised over a period of time using percentage-of-completion method of accounting with contract costs incurred determining the degree of completion of the performance obligation. The contract costs used in computing the revenues include cost of fulfilling warranty obligations. Revenue from online examination services is recognised on the basis of exams conducted and where there are multiple performance obligations, revenue is recognised using percentage-of-completion method of accounting with contract costs incurred determining the degree of completion of the performance obligation. Revenue from the sale of distinct third party hardware is recognised at the point in time when control is transferred to the customer. The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party equipment or software are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent. The Group recognises revenue at the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.
- (vii) Subscription and other fees related to data feed & terminal services and licensing services – revenue is recognised over a period of time to which the fee relates.
- (viii) Other services – all other revenue is recognised in the period in which the performance obligation is satisfied over a period of time or point in time.
- (ix) Sale of goods - Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.
- (x) Financing Component - The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

## Notes to consolidated financial statements for the year ended March 31, 2023

In respect of members who have been declared as defaulters by the Group, all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Penal charges in respect of shortages due from the respective member is recognised in profit and loss as part of revenue to the extent such charges are recoverable in the period of declaration of default. Insurance claims are accounted on acceptance basis.

### (d) Inventory

The Inventory is valued at cost or net realisable value whichever is lower. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Group's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

## Notes to consolidated financial statements for the year ended March 31, 2023

The Group considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (f) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at that date at which the lease asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expenses on a straight line basis over the term of the lease.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right- of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

### As a lessor

Lease for which the Group is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on straight line basis over the term of the relevant lease.

### (g) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises:

- the fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

## Notes to consolidated financial statements for the year ended March 31, 2023

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition- by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business consideration is achieved in stages, the acquisition date carrying value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### (h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (i) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, government securities and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked/restricted for specific purposes.

### (j) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially based on the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (k) Investments and other financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### (ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Group commits to purchase or sale the financial asset.

#### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

#### Equity investments (other than investments in associates and joint venture)

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected

## Notes to consolidated financial statements for the year ended March 31, 2023

to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Purchase and sale of investments are accounted at trade date.

### (iv) *Impairment of financial assets*

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### *De-recognition of financial assets*

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### (v) *Income recognition*

#### *Interest income*

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### *Dividends*

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

### (l) **Financial liabilities**

#### (i) *Classification as debt or equity*

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (ii) *Initial recognition and measurement*

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

### (iii) *Subsequent measurement*

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

### (iv) *Derecognition*

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (m) **Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

### (n) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### (o) **Property, plant and equipment (including Capital Work In Progress)**

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### ***Depreciation methods, estimated useful lives and residual value***

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment	10 years
Computer systems - office automation and others	3 to 4 years
Telecommunication systems	4 years
Trading systems	4 years
Clearing & Settlement Systems	4 years

The property, plant and equipment including land acquired under finance leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The useful lives for computer systems office automation, computer systems – others, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

## Notes to consolidated financial statements for the year ended March 31, 2023

In case of subsidiary company NSEIT Limited, fixed assets are depreciated as per the useful life specified under schedule II to Companies Act 2013 except the furniture and fixtures, electrical installation and office equipment including civil improvements at leased premises which are depreciated over the lease period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Fixed assets whose aggregate cost is ₹5,000 or less are depreciated fully in the year of acquisition.

### (p) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have an estimated useful life of 60 years.

### (q) Intangible assets

#### (i) Goodwill:

Goodwill on acquisitions of business and subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

#### (ii) Other intangible assets:

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Research expenditure and development expenditure that do not meet the criteria in (ii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## Notes to consolidated financial statements for the year ended March 31, 2023

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

### (r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (s) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (t) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

### (u) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as superannuation and provident fund.

## Notes to consolidated financial statements for the year ended March 31, 2023

### *Gratuity obligations*

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### **(iv) Defined contribution plans**

The Group pays provident fund contributions to publicly administered Provident Funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

### *Superannuation*

Superannuation benefits for employees designated as chief managers and above are covered by Group policies with the Life Insurance Corporation of India. Group's contribution payable for the year is charged to profit and loss. There are no other obligations other than the annual contribution payable.

### **(v) Bonus plans**

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

In case of the Parent Company and one of the subsidiary company, SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :

- A. The variable pay component will not exceed one third of the total pay.
- B. 50% of the variable pay will be paid on a deferred basis after three years.

### **(v) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **(w) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### **(x) Earnings per share**

#### **(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (y) Core Settlement Guarantee Fund

The Group contributes to Settlement Guarantee Fund/ Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ("SEBI") (Stock Exchanges and Clearing Corporations) Regulation 2012. National Stock Exchange of India Limited (the Parent company) contributes 25% of its annual profits along with its clearing corporation subsidiary, National Securities Clearing Corporation Limited contributes amounts pertaining to Minimum Required Corpus to the Core Settlement Guarantee Fund, which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/ Core Settlement Guarantee Fund by the Parent Company is recorded as an expense in the Consolidated Statement of Profit and Loss and contribution by its clearing corporation subsidiary is recorded as an appropriation from Group's retained earnings and such amounts are separately disclosed as Core Settlement Guarantee Fund in the Consolidated balance sheet.

Trades executed on the exchange platform are cleared and settled by the clearing corporations under interoperability framework prescribed by SEBI. Post interoperability, the exchange is required to proportionately contribute to Core SGF of the clearing corporations, namely NSE Clearing Limited (NCL), Indian Clearing Corporation Limited (ICCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) which clears and settles the trades of the exchange. Such contributions are also recorded as an expense and separately disclosed in the balance sheet. As per SEBI guidelines, the Group invests balances in Core Settlement Guarantee Fund in prescribed category of securities which are earmarked/restricted and income earned on such investments are attributed directly and credited to the fund balance. Fines and penalties recovered by the Group from members are also directly attributed and credited to the fund balance.

The Group records a loss in its Statement of Profit and Loss in case of a default event, as per the default waterfall defined under the SEBI regulations, including by utilization of the Core Settlement Guarantee Fund balance. (Refer note 37).

### (z) Non- Current assets held for Sale

Non-current assets (or disposal Groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal Group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal Group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal Group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal Group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (aa) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

### (ab) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### (ac) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### The areas involving critical estimates or judgements are:

Estimation of fair value of unlisted securities Note 40

Estimation of contingent liabilities refer Note 35

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

### (ad) Recently issued Accounting Pronouncements

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective from April 1, 2023.

**Ind AS 1 – Presentation of Financial Statements** - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes** - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 8 – Accounting policies, Changes in Accounting Estimates and Errors** – The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

# Notes to consolidated financial statements for the year ended March 31, 2023

## Note 2(a) : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Owned building (Refer note 2.1)	Office equipments	Electrical equipment & installations	Furniture & Fixtures	Trading systems	Computer systems-office automation	Computer systems-others	Tele-communication systems	Clearing and settlement system	Vehicles	Total	Capital work in progress
<b>Gross carrying amount</b>													
Cost as at 01.04.2021	32.21	186.68	119.89	119.15	74.92	111.84	43.96	555.16	305.56	50.54	0.00	1,599.91	10.69
Additions	-	0.53	16.68	18.70	3.20	26.48	6.13	207.77	208.63	40.12	-	528.24	544.08
Disposals	-	-	(0.35)	(0.32)	(0.23)	(2.20)	(0.10)	(0.58)	(0.64)	(0.40)	-	(4.82)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(464.23)
Currency Fluctuation	-	-	0.19	0.15	0.20	-	0.01	0.75	0.28	-	-	1.58	-
<b>Closing gross carrying amount</b>	<b>32.21</b>	<b>187.21</b>	<b>136.41</b>	<b>137.68</b>	<b>78.09</b>	<b>136.12</b>	<b>50.00</b>	<b>763.10</b>	<b>513.83</b>	<b>90.26</b>	<b>0.00</b>	<b>2,124.91</b>	<b>90.54</b>
<b>Accumulated depreciation</b>													
Accumulated depreciation as at 01.04.2021	-	50.40	89.65	70.91	49.51	92.38	34.91	282.81	199.10	25.28	0.00	894.95	-
Depreciation charge for the year for Continuing Operations	-	3.13	20.54	23.60	8.84	9.74	5.33	110.69	65.82	13.59	-	261.28	-
Depreciation charge for the year for Discontinuing Operations	-	0.95	0.88	0.08	0.29	-	0.50	3.60	0.13	-	-	6.43	-
Disposals	-	-	(0.30)	(0.14)	(0.22)	(1.75)	-	(0.38)	(0.49)	(0.25)	-	(3.53)	-
Currency Fluctuation	-	-	0.09	0.04	0.01	-	0.01	0.62	0.17	-	-	0.94	-
<b>Closing Accumulated depreciation</b>	<b>-</b>	<b>54.48</b>	<b>110.86</b>	<b>94.49</b>	<b>58.43</b>	<b>100.37</b>	<b>40.75</b>	<b>397.34</b>	<b>264.73</b>	<b>38.62</b>	<b>0.00</b>	<b>1,160.07</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2022</b>	<b>32.21</b>	<b>132.73</b>	<b>25.55</b>	<b>43.19</b>	<b>19.66</b>	<b>35.75</b>	<b>9.25</b>	<b>365.76</b>	<b>249.10</b>	<b>51.64</b>	<b>0.00</b>	<b>964.84</b>	<b>90.54</b>
<b>Gross carrying amount</b>													
Cost as at 01.04.2022	32.21	187.21	136.41	137.68	78.09	136.12	50.00	763.10	513.83	90.26	-	2,124.91	90.54
Additions	-	0.17	8.60	10.87	3.27	35.78	8.49	166.21	57.28	15.61	0.73	307.01	202.84
Disposals	-	(0.15)	(1.73)	-	(0.16)	-	(0.02)	(10.50)	(0.71)	-	-	(13.27)	-
Assets included in a disposal group classified as held for sale	-	(2.80)	(6.47)	(0.02)	(2.78)	-	(0.03)	(24.24)	(0.03)	-	-	(36.37)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(239.96)
Currency Fluctuation	-	-	0.37	0.26	2.02	-	0.05	4.92	0.86	-	-	8.48	-
<b>Closing gross carrying amount</b>	<b>32.21</b>	<b>184.42</b>	<b>137.18</b>	<b>148.79</b>	<b>80.44</b>	<b>171.90</b>	<b>58.49</b>	<b>899.49</b>	<b>571.23</b>	<b>105.87</b>	<b>0.73</b>	<b>2,390.76</b>	<b>53.42</b>
<b>Accumulated depreciation</b>													
Accumulated depreciation as at 01.04.2022	-	54.48	110.86	94.49	58.43	100.37	40.75	397.34	264.73	38.62	-	1,160.07	-
Depreciation charge for the year for Continuing Operations	-	3.25	12.64	8.66	6.31	16.52	5.73	161.98	93.18	20.00	0.05	328.32	-
Depreciation charge for the year for Discontinuing Operations	-	0.20	0.56	-	0.05	-	-	3.44	0.41	-	-	4.66	-
Disposals	-	(0.15)	(1.70)	-	(0.13)	-	(0.02)	(7.81)	(0.71)	-	-	(10.52)	-
Accumulated depreciation related to assets included in a disposal group classified as held for sale	-	(2.09)	(5.39)	(0.03)	(2.73)	-	(0.53)	(20.80)	(0.03)	-	-	(31.60)	-
Currency Fluctuation	-	-	0.30	0.09	0.09	-	0.03	2.38	0.59	-	-	3.48	-
<b>Closing Accumulated depreciation</b>	<b>-</b>	<b>55.69</b>	<b>117.27</b>	<b>103.21</b>	<b>62.02</b>	<b>116.89</b>	<b>45.96</b>	<b>536.53</b>	<b>358.17</b>	<b>58.62</b>	<b>0.05</b>	<b>1,454.41</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>32.21</b>	<b>128.73</b>	<b>19.91</b>	<b>45.58</b>	<b>18.42</b>	<b>55.01</b>	<b>12.53</b>	<b>362.96</b>	<b>213.06</b>	<b>47.25</b>	<b>0.68</b>	<b>936.35</b>	<b>53.42</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd.)

Note 2.1 : Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2023	31.03.2022
Net carrying amount of investment property	5.45	5.38
Fair value of investment property (Refer Note 2.3)	63.51	39.32
Depreciation	0.15	0.15
Rental income	1.32	2.96
Direct operating expenses	-	(0.54)

Note 2.2 : Capital and other Contractual Commitment (Refer Note 34)

### Note 2.3 : Estimation of fair value

The fair value of the Company's Investment properties as at March 31, 2023 and as at March 31, 2022, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investments properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted. (Refer note 54 (x))

### Note 2.4 : Ageing of Capital Work In Progress

Description	Amount of Capital Work In Progress as on March 31, 2023				Amount of Capital Work In Progress as on March 31, 2022					
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	53.03	0.39	-	-	53.42	89.78	-	0.76	-	90.54
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

Note 2.5: For capital-work-in progress (CWIP), whose completion is overdue or exceeded its cost compared to its original plan the projectwise details of when the project is expected to be completed is given below as of March 31, 2023

Description	To be completed (Ageing as on March 31, 2023)				To be completed (Ageing as on March 31, 2022)					
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Development of meters of windmill	-	-	-	-	-	0.76	-	-	-	0.76

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd.)

Note 2(b): Right of use assets

Particulars	Original cost				Accumulated Depreciation				Net Carrying Amount
	As at April 1, 2021	Additions	Disposals / Adjustments	As at March 31, 2022	As at April 1, 2021	Additions	Disposals / Adjustments	As at March 31, 2022	
Leasehold land	107.62	-	-	107.62	32.91	1.30	-	34.21	73.41
Computer	-	2.61	-	2.61	-	0.49	-	0.49	2.12
Buildings	84.62	61.57	(0.90)	145.29	32.25	22.95	(0.20)	55.00	90.29
<b>Total</b>	<b>192.24</b>	<b>64.18</b>	<b>(0.90)</b>	<b>255.52</b>	<b>65.16</b>	<b>24.74</b>	<b>(0.20)</b>	<b>89.70</b>	<b>165.82</b>

Particulars	Original cost				Accumulated Depreciation				Net Carrying Amount
	As at April 1, 2022	Assets included in a disposal group classified as held for sale	Additions	Disposals / Adjustments	As at April 1, 2022	Additions	Accumulated Depreciation related to assets included in a disposal group classified as held for sale	Disposals / Adjustments	
Leasehold land	107.62	-	-	-	34.21	1.30	-	-	35.51
Computer	2.61	(2.61)	4.55	-	0.49	0.57	(0.49)	-	0.57
Buildings	145.29	(51.77)	48.96	0.60	55.00	12.28	(33.57)	0.07	33.78
<b>Total</b>	<b>255.52</b>	<b>(54.38)</b>	<b>53.51</b>	<b>0.60</b>	<b>89.70</b>	<b>14.15</b>	<b>(34.06)</b>	<b>0.07</b>	<b>69.86</b>
									<b>185.39</b>

(₹ in Crores)

(₹ in Crores)

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

	Goodwill (Refer Note no. 46)	Other intangible assets			Intangible assets under development
		Computer software	Software copyrights	Total	
<b>Gross carrying amount</b>					
Cost as at 01.04.2021	395.93	397.24	2.59	399.83	104.29
Additions	14.96	54.47	0.34	54.81	70.17
Disposals/written off	-	(0.10)	-	(0.10)	(68.94)
Transfers	-	-	-	-	(38.36)
Currency Fluctuation	-	(0.15)	-	(0.15)	-
<b>Closing gross carrying amount</b>	<b>410.89</b>	<b>451.46</b>	<b>2.93</b>	<b>454.39</b>	<b>67.16</b>
<b>Accumulated amortisation</b>					
Accumulated amortisation as at 01.04.2021	-	317.07	2.59	319.66	(68.23)
Amortisation charge during the year for Continuing Operations	-	38.29	-	38.29	-
Amortisation charge during the year for Discontinuing Operations	-	7.62	-	7.62	-
Disposals	-	-	-	-	-
Currency Fluctuation	-	0.02	-	0.02	-
Reversal of Provision for Impairment of Intangible assets under development (Refer Note no 52)	-	-	-	-	68.23
<b>Closing Accumulated amortisation</b>	<b>-</b>	<b>363.00</b>	<b>2.59</b>	<b>365.59</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2022</b>	<b>410.89</b>	<b>88.46</b>	<b>0.34</b>	<b>88.80</b>	<b>67.16</b>
<b>Gross carrying amount</b>					
Cost as at 01.04.2022	410.89	451.46	2.93	454.39	67.16
Additions	-	59.37	2.04	61.41	64.06
Disposals /written off	(0.69)	(1.79)	-	(1.79)	-
Impairment of intangible assets under development (Refer note 3.5 & 28)	-	(15.91)	-	(15.91)	(49.51)
Transfers	-	-	-	-	(34.80)
Assets included in a disposal group classified as held for sale (Refer Note no. 53)	(203.34)	(46.36)	(4.97)	(51.33)	(1.86)
Currency Fluctuation	-	0.73	-	0.73	0.02
<b>Closing gross carrying amount</b>	<b>206.86</b>	<b>447.50</b>	<b>(0.00)</b>	<b>447.50</b>	<b>45.07</b>
<b>Accumulated amortisation</b>					
Accumulated amortisation as at 01.04.2022	-	363.00	2.59	365.59	-
Amortisation charge during the year for Continuing Operations	-	41.59	-	41.59	-
Amortisation charge during the year for Discontinuing Operations	-	9.24	0.70	9.94	-
Disposals	-	(1.79)	-	(1.79)	-
Impairment of intangible assets under development (Refer note 3.5 & 28)	-	(4.61)	-	(4.61)	-
Currency Fluctuation	-	0.44	-	0.44	-
Accumulated amortisation pertaining to Assets included in a disposal group classified as held for sale	-	(31.30)	(3.30)	(34.59)	-
<b>Closing Accumulated amortisation</b>	<b>-</b>	<b>376.57</b>	<b>(0.00)</b>	<b>376.58</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>206.86</b>	<b>70.93</b>	<b>(0.00)</b>	<b>70.93</b>	<b>45.07</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 3 : INTANGIBLE ASSETS (contd...)

**Note 3.1 :** Capital and other Contractual Commitment Refer Note 34

#### Note 3.2 : Significant estimate: Useful life of intangible assets

As at 31 March 2023, the net carrying amount of computer software was ₹70.93 crores (March 31, 2022: ₹88.46 crores). The Group estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor actions.

#### Note 3.3 : Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment. The goodwill of ₹65.59 crores relates to the index licensing services business of the Group, ₹1.76 crores relates to datafeed services, ₹139.51 crores relates to data terminal services businesses of the Group. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The Group has carried out annual goodwill impairment assesment as at March 31, 2023 and March 31, 2022. The carrying amount does not exceed the recoverable amount of the cash generating units. Accordingly, there were no impairment recorded for the year ended March 31, 2023 and March 31, 2022. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating units.

#### Note 3.4 : Ageing of Intangible assets under development

(₹ in Crores)

Description	Amount of Intangible assets under development as on March 31, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	17.34	25.87	1.20	0.66	45.07
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>17.34</b>	<b>25.87</b>	<b>1.20</b>	<b>0.66</b>	<b>45.07</b>

(₹ in Crores)

Description	Amount of Intangible assets under development as on March 31, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	42.47	23.80	0.65	-	66.92
(ii) Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>42.47</b>	<b>23.80</b>	<b>0.65</b>	<b>-</b>	<b>66.92</b>

**Note: 3.4:** For computer software under development, whose completion is overdue or exceeded its cost compared to its original plan, the projectwise details of when the project is expected to be completed is given below as of March 31, 2023.

(₹ in Crores)

Description	To be completed in (Ageing as on March 31, 2023)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
i) Blockchain Development	-	0.86	-	-	0.86

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 3 : INTANGIBLE ASSETS (contd...)

(₹ in Crores)

Description	To be completed in (Ageing as on March 31, 2022)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
i) Process Transformation Projects	8.57	-	-	-	8.57
ii) Blockchain Development	-	1.06	-	-	1.06

**Note 3.5 :** During the year, the Company has carried out the impairment assessment of intangible assets including intangible assets under development. Basis the assessment, the Company has impaired / written off certain intangible assets including intangible assets under development, as these assets are not expected to be used.

### Note 4 : NON-CURRENT INVESTMENTS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Investments in quoted equity instruments at FVOCI	0.76	0.71
Investments in unquoted equity instruments at FVOCI	122.78	130.87
Investments in quoted tax free bonds at amortised cost	559.94	609.47
Investments in quoted taxable bonds at amortised cost	753.49	780.23
Investments in quoted government securities at FVOCI	2,724.57	1,111.87
Investments in quoted government securities at amortised cost (Refer note 4.1)	3,236.17	5.07
Investments in unquoted mutual funds at FVPL (Refer note 4.2)	1,751.08	2,277.37
<b>Total</b>	<b>9,148.79</b>	<b>4,915.59</b>
Aggregate Book value - Quoted Investments	7,274.93	2,507.35
Aggregate Book Value - Unquoted Investments	1,873.86	2,408.24
Aggregate Market Value of Quoted Investments	7,276.53	2,576.37

4.1 Earmarked amount of ₹3,236.17 crores (Previous Year : ₹5.07) crores pertaining to Core SGF is included in investments in quoted government securities at amortised cost.

4.2 Includes ₹110.70 crores (previous year ₹134 crores) set aside towards acquisition of balance stake of Talentsprit Private Limited as directed by SEBI while granting the approval for said acquisition.

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 5 : OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Non-current bank balances</b>		
Fixed deposits with maturity for more than 12 months	858.05	176.91
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	49.11	98.40
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement Guarantee Fund	11.91	14.04
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement Guarantee Fund - Commodity Derivatives	33.83	-
<b>Total (a)</b>	<b>952.90</b>	<b>289.35</b>
<b>Others</b>		
Security deposit for utilities and premises	9.04	6.26
Interest accrued on bank deposits	18.08	6.90
Interest accrued on bank deposits towards Core Settlement Guarantee Fund	0.26	0.38
Other receivables	-	0.05
<b>Total (b)</b>	<b>27.38</b>	<b>13.59</b>
<b>Total</b>	<b>980.28</b>	<b>302.9</b>

5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

### Note 6 : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Security deposit for utilities and premises	0.80	5.38
Interest accrued on bank deposits	104.98	99.72
Interest accrued on bank deposits towards Core Settlement Guarantee Fund	27.51	44.00
Deposit with financial institution at amortised cost	-	115.38
Receivables from related party (Refer Note 32)	0.19	0.28
Other receivables	8.03	13.83
	<b>141.51</b>	<b>278.59</b>

### Note 7 : OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Capital advances	15.44	3.52
Prepaid expenses	39.62	5.52
Securities Transaction Tax paid (Refer note 7.1)	10.60	10.60
Other receivables	-	2.35
Deposit with SEBI - Colocation (Refer Note 35(b))	707.47	1,107.47
	<b>773.13</b>	<b>1,129.46</b>

7.1 Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.41 crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities. (Refer note no. 22).

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 8 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Other Advance recoverable	14.04	18.58
Balances with statutory authorities	236.43	97.71
Prepaid expenses	139.39	106.74
Deposit with SEBI - Colocation (Refer Note 35(b))	300.00	-
Other receivables	18.50	7.65
	<b>708.36</b>	<b>230.68</b>

### Note 9 : CURRENT INVESTMENTS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Investments in quoted tax free bonds at amortised cost	29.58	106.11
Investment in quoted Taxable Bonds bonds at amortised cost	265.93	-
Investment in quoted Commercial Paper at amortised cost	99.09	-
Investment in quoted Certificate of Deposits at amortised cost	321.36	-
Investments in quoted government securities at FVOCI	86.22	719.87
Investments in quoted government securities at amortised cost (Refer note 9.1)	776.40	176.31
Investments in quoted mutual funds at FVPL	838.55	504.16
Investments in unquoted mutual funds at FVPL (Refer note 9.2 and 9.3)	5,739.38	6,435.22
Investment in Quoted debentures at amortised cost	66.37	80.13
Less: Impairment losses on financial assets (Refer note 9.4)	(66.37)	(80.13)
<b>Total</b>	<b>8,156.51</b>	<b>7,941.67</b>
Aggregate Book value - Quoted Investments	2,417.13	1,506.45
Aggregate Book Value - Unquoted Investments	5,739.38	6,435.22
Aggregate Market Value of Quoted Investments	2,408.41	1,509.40
Aggregate amount of impairment in the value of investments (refere note 9.4)	66.37	80.13

9.1 Earmarked amount of ₹776.40 crores pertaining to Core SGF is included in investments in quoted government securities at amortised cost as at March 31, 2023 and ₹176.31 as at March 31, 2022

9.2 Earmarked amount of ₹148.57 crores pertaining to SGF-Commodity Segment is included in investments in unquoted mutual funds at FVPL as at March 31, 2023 and ₹95.04 crores as at March 31, 2022

9.3 The investments in mutual funds includes ₹18.09 crores (March 31, 2022: ₹16.26 crores) invested from contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

9.4 The Group's investment in Non convertible debenture of IL&FS Group amounting to ₹80.13 crores have been classified as credit impaired in the financial year 2018-19 on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, Group recognised impairment loss of ₹80.13 crores on such financial assets in the profit and loss account in the financial year 2018-19. During the current year, the Group has received an amount of ₹13.77 crores which is disclosed under other expenses "reversal of impairment losses on financial assets".



## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 10 : TRADE RECEIVABLES (contd...)

#### Ageing of Trade Receivables as on March 31, 2022

(₹ in Crores)

Description	Outstanding for following periods from the due date					
	Unbilled	Less than 6 months	6 months - 1 year	2 - 3 years	More than 3 year	Total
Undisputed Trade Receivables – Secured considered good	1,334.16	223.87	10.46	17.47	3.69	1,589.65
Undisputed Trade Receivables – Unsecured considered good	-	15.94	10.69	9.04	1.37	37.05
Undisputed Trade Receivables – which have significant increase in credit risk	-	3.60	-	1.90	-	5.50
Undisputed Trade Receivables – credit impaired	-	2.82	0.65	1.27	10.67	15.42
<b>Total</b>	<b>1,334.16</b>	<b>246.24</b>	<b>21.81</b>	<b>29.68</b>	<b>26.73</b>	<b>1,658.62</b>
Less: Allowance for doubtful debts						(43.67)
<b>Total</b>						<b>1,614.95</b>

### Note 11 : CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Balances with banks :-		
Deposits with original maturity of less than three months	542.83	7.70
Government Securities with original maturity of less than three months	39.38	-
In current accounts	786.80	710.26
Balance held for the purpose of meeting short term cash commitments (Refer note 11.1)	4,528.49	8,839.21
Cash on hand	0.01	0.01
	<b>5,897.51</b>	<b>9,557.18</b>

11.1 Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions. i.e. Transaction date + 1 day as on March 31, 2023 (Transaction date + 2 day as on March 31, 2022) & margin money from members which is also repayable on the settlement of transactions. (Refer note 16).

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<i>'Restricted Balances with banks :</i>		
In current accounts (Refer note 41(b) and 12.2)	44.63	47.45
In current account towards Core Settlement Guarantee Fund	222.94	2,927.72
<i>Fixed deposits</i>		
- with original and remaining maturity for more than 3 months but less than 12 months	324.66	398.67
- with maturity of less than 12 months at the balance sheet date	1,099.02	1,190.27
<i>Certificate of deposits with banks:</i>		
- with original maturity for more than 3 months but less than 12 months	2,964.76	762.42
<i>Earmarked Fixed Deposits:</i>		
- with original maturity for more than 3 months but less than 12 months (Refer note 12.1 and 12.3)	60.15	121.58
- with original maturity for more than 3 months but less than 12 months towards SGF for Commodity Segment	67.60	154.96
- with original maturity of less than 12 months at the balance sheet date towards Core Settlement Guarantee fund	528.22	783.10
- with original maturity of less than 12 months at the balance sheet date (Refer note 12.3)	373.04	379.23
Unpaid dividends	0.65	0.16
	<b>5,685.67</b>	<b>6,765.56</b>

12.1 The amount includes ₹2.98 crores (Previous Year : ₹16.86 crores) towards amount placed as a fixed deposit by NSE Foundation.

12.2 This include an amount of ₹39.18 crores (March 31, 2022: NIL) towards unspent CSR, an amount of ₹4.59 crores (March 31, 2022: ₹45.78 crores) towards defaulter members and an amount of NIL (March 31, 2022: ₹1.56 crores) and towards contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

12.3 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 13 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Authorised</b>		
50,00,00,000 Equity Shares of Re. 1 each.		
(Previous year: 50,00,00,000 equity shares of Re.1 each)	50.00	50.00
<b>Issued, subscribed and paid-up</b>		
49,50,00,000 equity shares of Re. 1 each, fully paid up	49.50	49.50
(Previous year: 49,50,00,000 equity shares of Re. 1 each, fully paid up)		
<b>Total</b>	<b>49.50</b>	<b>49.50</b>

#### Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2023		As at 31.03.2022	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year (Face value of Re.1 each)	49.50	49.50	49.50	49.50
Changes in equity share capital during the year	-	-	-	-
At the end of the year	49.50	49.50	49.50	49.50

#### Details of shareholders holding more than 5% share in the Company (No. of shares)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Life Insurance Corporation of India	5,30,55,000	5,30,55,000

#### Details of shareholders holding more than 5% share in the Company (% shareholding)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Life Insurance Corporation of India	10.72%	10.72%

# Notes to consolidated financial statements for the year ended March 31, 2023

## Note 13 b : OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus					Other Reserves			Total other Equity	Non Controlling Interests	Total other Equity			
	Securities pre-mium reserve	Retained earnings *	Risk reserve	Liquidity Enhancement Scheme Incentive Reserve	Reserve Fund	Other re-serves **	Total Re-serves and Surplus	Debt instruments through Other Comprehensive Income				Equity instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Total other re-serves
<b>Balance as at 01.04.2021</b>	35.50	10,885.73	-	1.00	490.52	63.89	11,476.64	14.01	86.61	9.17	109.79	11,586.43	0.02	11,586.45
Profit for the year	-	5,194.97	-	-	-	-	5,194.97	-	-	-	-	5,194.97	3.32	5,198.29
Other Comprehensive income/ (loss)	-	(1.48)	-	-	-	-	(1.48)	(12.61)	(3.86)	3.46	(13.01)	(14.49)	(0.03)	(14.52)
Redemption liability	-	(181.29)	-	-	-	-	(181.29)	-	-	-	-	(181.29)	-	(181.29)
Share based payment	-	0.44	-	-	-	-	0.44	-	-	-	-	0.44	-	0.44
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(10.78)	-	10.78	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	10.78	-	(10.78)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(44.66)	-	-	44.66	-	-	-	-	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>														
Dividend paid	-	(1,225.13)	-	-	-	-	(1,225.13)	-	-	-	-	(1,225.13)	-	(1,225.13)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	4.54
<b>Balance as at 31.03.2022</b>	35.50	14,628.58	-	1.00	535.18	63.89	15,264.15	1.40	82.75	12.63	96.78	15,360.93	7.85	15,368.78
<b>Balance as at 01.04.2022</b>	35.50	14,628.58	-	1.00	535.18	63.89	15,264.15	1.40	82.75	12.63	96.78	15,360.93	7.85	15,368.78
Profit for the year	-	7,354.81	-	-	-	-	7,354.81	-	-	-	-	7,354.81	1.18	7,355.99
Other Comprehensive income/ (loss)	-	0.54	-	-	-	-	0.54	(21.60)	(4.52)	7.54	(18.58)	(18.04)	(0.01)	(18.05)
Redemption liability	-	4.79	-	-	-	-	4.79	-	-	-	-	4.79	-	4.79
Share based payment	-	0.58	-	-	-	-	0.58	-	-	-	-	0.58	0.80	1.38
Contribution to Core Settlement Guarantee Fund (Core SGF) (net of tax)	-	(200.47)	-	-	-	-	(200.47)	-	-	-	-	(200.47)	-	(200.47)
Transfer to Risk reserve	-	(6,583.00)	6,583.00	-	-	-	-	-	-	-	-	-	-	-
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(13.32)	-	13.32	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	13.32	-	(13.32)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(55.93)	-	-	55.93	-	-	-	-	-	-	-	-	-
<b>Transaction with owners in their capacity as owners</b>														
Dividend paid	-	(2,079.00)	-	-	-	-	(2,079.00)	-	-	-	-	(2,079.00)	-	(2,079.00)
Change in non controlling interest of a subsidiary	-	5.37	-	-	-	-	5.37	(20.20)	78.23	20.17	78.20	20,428.97	(7.91)	(2.54)
<b>Balance as at 31.03.2023</b>	35.50	13,076.27	6,583.00	1.00	591.11	63.89	20,350.77	(20.20)	78.23	20.17	78.20	20,428.97	1.91	20,430.88

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
* Includes General Reserves	4,441.04	4,441.04
** Includes capital reserve on consolidation	39.39	39.39
** Includes capital redemption reserve	13.00	13.00
** Includes staff welfare reserve	1.50	1.50
** Includes investor compensation reserve	10.00	10.00

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 13 b : OTHER EQUITY (contd...)

#### Other Equity

##### Securities premium reserve:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

##### Risk reserve:

The Board of Directors of National Stock Exchange of India Limited in its meeting held on May 15, 2023, has decided to appropriate an amount of ₹6,583 crores from retained earnings to a separate reserve within equity towards adequate risk capital management.

##### Liquidity enhancement scheme incentive reserve:

One of the subsidiary has created Liquidity enhancement scheme incentive reserve in accordance with the IFSC Authority circular dated March 31, 2022, which has issued guidelines for Liquidity Enhancement Scheme. Accordingly the subsidiary has created a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme.

##### Reserve Fund:

One of the subsidiary has created reserve fund under section 45-IC (1) of Reserve Bank of India Act 1934, wherein every Non Banking Financial Company has to transfer 20% of it's post tax profit to a corpus termed as Reserve Fund.

##### Other Reserves:

The Group has in the past created Other Reserves for investor compensation activities, staff welfare activities, capital redemption reserve and capital reserve arising on consolidation.

##### Debt instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Consolidated Statement of Profit and Loss.

##### Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

##### Foreign Currency Translation Reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity..

Note 1: The Board of Directors, in their meeting held on June 18, 2021, proposed a dividend of ₹24.75/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 25, 2021. The total dividend paid during the year ended March 31, 2022 amounts to ₹1,225.13 crores.

Note 2: The Board of Directors, in their meeting held on May 6, 2022, proposed a dividend of ₹42/- per equity share which has been approved by the shareholders at the Annual General Meeting held on July 12, 2022. The total dividend paid during the year ended March 31, 2023 amounts to ₹2,079 crores.

### Note 14 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Trade payables	260.28	341.22
Trade payables to MSME (Refer note 36)	1.88	7.99
<b>Total</b>	<b>262.16</b>	<b>349.21</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 14 : TRADE PAYABLES (CURRENT) (contd...)

#### Ageing of Trade Payables as on March 31, 2023

Description	Outstanding for following periods from the due date			
	Less than 1 year	1-3 years	More than 3 years	Total
MSME	0.58	1.30	-	1.88
Others	251.90	6.40	1.98	260.28
<b>Total</b>	<b>252.48</b>	<b>7.70</b>	<b>1.98</b>	<b>262.16</b>

#### Ageing of Trade Payables as on March 31, 2022

Description	Outstanding for following periods from the due date			
	Less than 1 year	1-3 years	More than 3 years	Total
MSME	7.85	0.05	0.09	8.00
Others	330.34	5.45	5.43	341.21
<b>Total</b>	<b>338.19</b>	<b>5.50</b>	<b>5.52</b>	<b>349.21</b>

### Note 15 : OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Other liabilities	16.35	15.49
Redemption liability (Refer note 46.2, 46.3 & 53)	-	102.91
<b>Total</b>	<b>16.35</b>	<b>118.40</b>

### Note 16 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Deposits - premises	5.50	5.27
Creditors for capital expenditure	93.81	106.48
Defaulters fund pending claims	351.60	401.31
Margin money from members (Refer note 16.1)	3,870.41	5,294.76
Settlement obligation payable (Refer note 16.1)	182.71	3,268.33
Redemption liability (Refer note 46.2, 46.3 & 53)	-	78.39
Unpaid dividend	-	0.16
Other liabilities	98.87	92.45
<b>Total</b>	<b>4,602.90</b>	<b>9,247.15</b>

16.1 Represents amount received from members towards settlement obligations which is payable on the date of settlement of the transactions. i.e. Transaction date + 1 day as on March 31, 2023 (Transaction date + 2 day as on March 31, 2022) & margin money from members which is also repayable on the settlement of transactions. (refer note 11)

### Note 17a : PROVISION (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Employee benefits obligation</b>		
Provision for gratuity	11.78	13.15
Provision for variable pay and allowance	39.94	38.22
Other Provisions	0.42	1.33
<b>Total</b>	<b>52.14</b>	<b>52.70</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 17b : CONTRACT LIABILITIES (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Contract Liabilities related to listing services (Refer note 17.1)	69.34	58.11
<b>Total</b>	<b>69.34</b>	<b>58.11</b>

17.1 Contract liabilities mainly consist of processing fees in relation to listing fees which is recognised on straightline basis over estimated period of 10 years.

### Note 18a: PROVISION (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Employee benefits obligation</b>		
Provision for gratuity	1.45	6.53
Provision for variable pay and allowance	70.00	99.37
Provision for leave encashment	14.81	21.82
Other Provisions	-	0.36
<b>Total</b>	<b>86.26</b>	<b>128.08</b>

### Note 18b : CONTRACT LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Contract Liabilities related to listing services (Refer note 17.1)	3.86	2.69
<b>Total</b>	<b>3.86</b>	<b>2.69</b>

### Note 19 : INCOME TAXES

#### a) Income tax expense

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Income tax expense</b>		
<b>Current Tax</b>		
Current tax expense :		
Continuing Operations	2,521.01	1,685.93
Discontinued Operations	17.92	15.66
<b>Total Current Tax</b>	<b>2,538.93</b>	<b>1,701.59</b>
<b>Deferred Tax</b>		
(Increase) / Decrease in deferred tax assets	(64.56)	(13.35)
Increase / (Decrease) in deferred tax liabilities	83.25	25.76
<b>Total deferred tax expense (benefit)</b>	<b>18.69</b>	<b>12.41</b>
<b>Total Income tax expenses*</b>	<b>2,557.62</b>	<b>1,714.00</b>
Tax expenses exclude deferred tax expense/ (benefit) on OCI of continuing operations	9.67	6.78
Income tax benefits on Contribution to Core SGF reconised in equity (Refer note 13b)	(67.42)	-

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 19 : INCOME TAXES (contd...)

#### b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Profit before income tax expense from continuing operations	10,041.58	7,031.24
(Loss) before income tax expense from discontinuing operations	(127.97)	(118.95)
<b>Profit / (Loss) before income tax expense from continuing and discontinuing operations</b>	<b>9,913.61</b>	<b>6,912.29</b>
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	2,495.06	1,739.69
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Interest on tax free bonds	(12.32)	(13.26)
Income taxed at different rate	(9.83)	(8.88)
Non deductible expenditure	62.35	3.93
Others	22.36	(7.48)
<b>Income Tax Expense</b>	<b>2,557.62</b>	<b>1,714.00</b>

The applicable Indian statutory tax rate for year ended March 31, 2023 is 25.168% (March 31, 2022 : 25.168%).

#### c) Deferred tax liabilities (net)

##### The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Deferred income tax assets</b>		
Property, plant and equipment and investment property	11.34	3.57
Provision for leave encashment	3.52	5.47
Financial Assets at Fair Value through OCI on equity and debt instruments	2.42	-
Others	138.84	100.36
<b>Total deferred tax assets</b>	<b>156.12</b>	<b>109.40</b>
<b>Deferred income tax liabilities</b>		
Property, plant and equipment and investment property	-	1.36
Financial Assets at Fair Value through OCI on equity and debt instruments	-	7.36
Financial Assets at Fair Value through profit and Loss	144.88	81.61
Tax on undistributed earnings of associates	124.04	108.22
Others	34.23	28.33
<b>Total deferred tax liabilities</b>	<b>303.15</b>	<b>226.88</b>
<b>Net Deferred tax liabilities</b>	<b>147.03</b>	<b>117.48</b>
<b>Deferred Tax Assets</b>	<b>11.32</b>	<b>20.42</b>
<b>Deffered tax Liabilities</b>	<b>(158.35)</b>	<b>(137.90)</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 19 : INCOME TAXES (contd...)

#### d) Movement in deferred tax assets

(₹ in Crores)

Particulars	Property, plant and equipment	Provision for leave encashment	Financial Assets at Fair Value through OCI on Equity	Others	Total
<b>At 31 March 2021</b>	<b>2.52</b>	<b>5.28</b>	<b>(14.11)</b>	<b>87.60</b>	<b>81.29</b>
Charged/(credited)					
- to profit or loss	1.05	0.19	-	12.11	13.35
- to other comprehensive income	-	-	6.75	0.65	7.40
<b>At 31 March 2022</b>	<b>3.57</b>	<b>5.47</b>	<b>(7.36)</b>	<b>100.36</b>	<b>102.04</b>
Charged/(credited)					
- to profit or loss	9.36	(0.73)	-	55.94	64.56
- to other comprehensive income	-	-	9.78	(0.17)	9.61
- assets included in a disposal group classified as held for sale	(1.59)	(1.21)	-	(17.28)	(20.08)
<b>At 31 March 2023</b>	<b>11.34</b>	<b>3.52</b>	<b>2.42</b>	<b>138.84</b>	<b>156.12</b>

#### e) Movement in deferred tax liabilities

(₹ in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Tax on undistributed earnings of associates	Others	Total
<b>At 31 March 2021</b>	<b>9.93</b>	<b>65.14</b>	<b>88.59</b>	<b>30.40</b>	<b>194.06</b>
Charged/(credited)					
- to profit or loss	(8.57)	16.47	19.63	(1.77)	25.76
- to other comprehensive income	-	-	-	(0.46)	(0.46)
-to others	-	-	-	0.16	0.16
<b>At 31 March 2022</b>	<b>1.36</b>	<b>81.61</b>	<b>108.22</b>	<b>28.33</b>	<b>219.52</b>
Charged/(credited)					
- to profit or loss	(1.36)	62.83	15.82	5.96	83.25
- to other comprehensive income	-	-	-	(0.06)	(0.06)
- liability related to disposal group classified as held for sale	-	0.44	-	-	0.44
<b>At 31 March 2023</b>	<b>-</b>	<b>144.88</b>	<b>124.04</b>	<b>34.23</b>	<b>303.15</b>

(f) The Group has not recognised deferred tax liability associated with respect to undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future. Further, the Group will also avail the tax credit for the tax payable on dividend distributed by the subsidiaries.

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
The taxable temporary differences relating to investment in subsidiaries with respect to undistributed earnings for which a deferred tax liability has not been recognised:		
Undistributed Earnings	3,700.87	4,085.17
Unrecognised deferred tax liabilities relating to the above temporary differences	931.44	1,028.16

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 20 : INCOME TAX LIABILITIES (NET) - CURRENT\*

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Income tax (net of advances)	507.72	301.88
Fringe Benefit Tax (net of Advances)	-	0.01
Wealth tax (net of advances)	0.29	0.29
<b>Total</b>	<b>508.01</b>	<b>302.18</b>

### Note 21 : INCOME TAX ASSETS (NET) - NON-CURRENT\*

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Income tax paid including TDS (net of provisions)	532.66	498.18
Income tax paid including TDS (net of provisions) - Core SGF	5.70	-
Fringe benefit tax (net of provisions)	0.02	0.02
<b>Total</b>	<b>538.38</b>	<b>498.20</b>

\*The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities (Refer note 35 for details of contingent liabilities and litigations).

### Note 22 : OTHER NON-CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Deposit - STT (Refer note no. 7.1)	5.41	5.41
<b>Total</b>	<b>5.41</b>	<b>5.41</b>

### Note 23 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Securities Transaction Tax payable	228.32	2,123.90
Statutory dues payable	655.73	580.72
Advance from customers	108.53	108.65
Others	603.83	280.08
<b>Total</b>	<b>1,596.41</b>	<b>3,093.35</b>

### Note 24 : DEPOSITS - CURRENT

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Deposits from trading members	979.09	957.99
Deposits from applicants for membership	2.54	13.30
Deposits from mutual fund distributors	0.95	1.32
Deposits towards equipments	4.13	9.95
Deposits from clearing members	354.60	332.88
Deposits in lieu of bank guarantee/securities from clearing members	94.04	91.48
Deposits from clearing banks	1,335.57	800.26
Deposits - listing & book building	110.19	116.45
<b>Total</b>	<b>2,881.11</b>	<b>2,323.63</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 25 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Revenue from contracts with customers :</b>		
<u>Trading services</u>		
Transaction charges	10,172.74	6,965.10
<u>Listing services</u>		
Listing fees	109.00	101.77
Processing fees	35.71	31.40
Book building fees	35.68	50.57
	180.39	183.74
<u>Colocation Charges</u>	614.28	432.62
<u>Data Feed &amp; Terminal services</u>		
Online datafeed service fees	199.91	161.40
Data terminal service fees	72.69	64.10
	272.60	225.50
<u>Licensing services</u>		
Index licensing & Data subscription fees	150.09	116.00
<u>Clearing &amp; Settlement Services</u>	30.79	41.84
<u>Others</u>	107.57	92.26
<b>Total (Refer note 25.1)</b>	<b>11,528.46</b>	<b>8,057.06</b>
<b>Other operating revenues :</b>		
Income on investments (Refer note 25.2)	327.77	256.07
<b>Total</b>	<b>11,856.23</b>	<b>8,313.13</b>

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Revenue Recognised</b>		
Point in Time	10,429.29	7,224.11
Over the period of time	1,426.94	1,089.02
<b>Total</b>	<b>11,856.23</b>	<b>8,313.13</b>

### 25.1 Reconciliation of revenue recognised with contract price :

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Contract Price</b>	11,540.86	8,095.56
Adjustments for contract liabilities	(12.40)	(38.50)
<b>Revenue from contracts with customers</b>	<b>11,528.46</b>	<b>8,057.06</b>

25.2 Represent income generated from sources of fund related to operating activity of the Group.

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 26 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Other income</b>		
Dividend income		
- from equity investments designated at FVOCI	0.39	0.59
Interest income from financial assets at amortised cost	297.54	163.95
Interest income from financial assets designated at FVOCI	114.86	55.65
Rental income	1.32	3.05
Miscellaneous income	24.37	16.36
	<b>438.48</b>	<b>239.60</b>
<b>Other gains/ (losses)</b>		
Net gain/ (loss) on financial assets mandatorily measured at FVPL	359.25	251.97
Net gain on sale of financial assets mandatorily measured at FVPL	104.73	66.74
Net gain on disposal of property, plant and equipment	-	0.03
Net foreign exchange gains	6.67	2.32
<b>Total other income and other gains/(losses)</b>	<b>470.65</b>	<b>321.06</b>
<b>Total</b>	<b>909.13</b>	<b>560.66</b>

### Note 27 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries, wages and bonus	326.99	327.68
Contribution to provident and other funds (Refer note 30)	11.39	9.23
Gratuity (Refer note 30)	6.12	5.06
Staff welfare expenses	21.55	14.38
<b>Total</b>	<b>366.05</b>	<b>356.35</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note 28 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Repairs & maintenance		
- To computers, trading & telecommunication systems	260.58	158.94
- To buildings	5.87	5.70
- To others	17.08	16.37
Clearing & Settlement Charges	77.22	45.30
Regulatory fees	477.94	220.27
IT management and consultancy charges	53.27	37.79
Software expenses	177.89	134.11
Network infrastructure management charges	6.78	6.77
Lease line charges	84.17	73.45
Water and electricity charges	57.74	42.10
Rental charges	0.21	0.04
Rates and taxes	6.46	6.50
Directors' sitting fees	2.57	1.93
Legal and professional fees	87.51	70.92
Advertisement and publicity	13.44	29.92
Travel and conveyance	11.37	11.00
Insurance	1.19	0.26
Printing and stationery	1.35	0.63
Corporate social responsibility expenditure (Refer note 43)	87.40	67.34
(Reversal) / Contribution to Investor protection fund trust (Refer note 28.1 and 49)	(24.69)	155.65
(Reversal) / Impairment in value of investment (Refer note 9.4)	(13.77)	-
Investor education expenses	16.69	7.79
SMS & Email Charges	45.41	66.39
Payment to auditors (Refer note below)	2.03	1.92
Doubtful debts written off	7.21	7.32
Provision for doubtful debts	0.06	6.42
Liquidity enhancement incentive	23.76	22.94
Loss on sale of property, plant & equipments	0.61	-
Penalty - SEBI (Refer note 36 b)	100.00	-
Intangible asset under development w/off (Refer note 3.5)	60.81	-
Other expenses	210.56	153.74
<b>Total</b>	<b>1,858.72</b>	<b>1,351.51</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Note : Payment to auditors

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>As auditors :</b>		
Audit fees	1.20	1.16
Tax audit fee	0.06	0.04
Limited review	0.49	0.46
<b>In other capacities</b>		
Taxation matters	0.09	0.11
Certification matters	0.15	0.12
Other services	0.04	0.03
<b>Total</b>	<b>2.03</b>	<b>1.92</b>

28.1 It includes contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation, which amounts to 3% of listing fees income. (Also refer note 49)

### Note 29 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earnings per share</b>		
<b>Continuing Operations</b>		
Profit for the year	7,501.88	5,332.90
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores) (Refer note 29.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>151.55</b>	<b>107.74</b>
<b>Discontinued Operations</b>		
(Loss) for the year	(147.07)	(137.93)
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores) (Refer note 29.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>(2.97)</b>	<b>(2.79)</b>
<b>Continuing Operations and Discontinued Operations</b>		
Profit for the year	7,354.81	5,194.97
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (no. in Crores) (Refer note 29.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>148.58</b>	<b>104.95</b>

29.1 The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

**Note 30 :** Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### a) Defined contribution plan

- i) The Group's contribution towards superannuation fund during the years has been charged to Statement of Consolidated Profit & Loss as follows:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Group's contribution towards superannuation fund	1.03	1.26

## Notes to consolidated financial statements for the year ended March 31, 2023

### ii) Provident Fund :

During the year, the Company is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. There was shortfall of ₹NIL (Previous Year ₹0.24 crores) as of March 31, 2022 which was duly provided. The contribution of ₹0.62 Crore during the year ended March 31, 2023, and ₹1.15 Crore during the year ended March 31, 2022 was reimbursed by the subsidiaries.

(₹ in Crores)		
Particulars	31.03.2023	31.03.2022
Group's contribution to the provident fund	25.11	18.28
Interest shortfall liability	-	0.24

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows: (₹ in Crores)

Particulars	31.03.2023*	31.03.2022*
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels		
c. Discount Rate		
d. Attrition Rate		
e. Weighted Average Yield	NA	NA
f. Weighted Average YTM		
g. Reinvestment Period on Maturity		
h. Mortality Rate		
i. Total PF assets as on date of valuation (₹ in Crores)	-	128.50

\* The Corpus of the provident fund of the employees was being managed by the National Stock Exchange of India Limited Employee Provident Fund Trust ("EPF Trust") which was registered with the Employees Provident Fund Organisation (EPFO) and exempted under the Employees Provident Fund Scheme 1952. The Board of directors of the Company in its meeting held on October 29, 2021 resolved to transfer the provident fund management and administration to the Employees Provident Fund Office ("EPFO") effective April 1, 2022. Accordingly, the Company and EPF Trust have transferred the entire corpus standing to the credit of EPF Trust including the required fund to meet the obligation in April 2022. This did not have material impact on the Group's financial statements. Accordingly, provident fund is disclosed under defined contribution plan for the year ended March 31, 2023.

### (b) Gratuity :

The Group provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

## Notes to consolidated financial statements for the year ended March 31, 2023

### A Consolidated Balance Sheet

- (i) The amounts recognised in the consolidated balance sheet and the movements in the net defined benefit obligation over the years are as follows:

(₹ in Crores)

Particulars	31.03.2023		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	<b>78.06</b>	<b>(58.38)</b>	<b>19.68</b>
Current service Cost	10.41	-	10.41
Interest cost / (income)	5.04	(4.00)	1.04
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>15.45</b>	<b>(4.00)</b>	<b>11.45</b>
Remeasurements			
Return on plan assets	-	(0.21)	(0.21)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(3.48)	-	(3.48)
Actuarial (gains)/losses on obligations - due to experience	5.85	-	5.85
<b>Net (income)/expense for the period recognised in OCI</b>	<b>2.37</b>	<b>(0.21)</b>	<b>2.16</b>
Employer Contributions	-	(5.32)	(5.32)
Liability transferred	0.01	-	0.01
Benefits paid	(11.94)	9.10	(2.84)
<b>At the end of the year</b>	<b>83.95</b>	<b>(58.81)</b>	<b>25.14</b>
Of the above pertaining to Continuing Operations	64.67	(51.44)	13.23
Of the above pertaining to Discontinued Operations	19.28	(7.37)	11.91

(₹ in Crores)

Particulars	31.03.2022		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	<b>69.89</b>	<b>(55.58)</b>	<b>14.31</b>
Current service Cost	8.89	-	8.89
Interest cost / (income)	4.45	(3.60)	0.85
<b>Expenses recognised in the Statement of Profit &amp; Loss</b>	<b>13.34</b>	<b>(3.60)</b>	<b>9.74</b>
Remeasurements			
Return on plan assets	-	(0.87)	(0.87)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	0.03	-	0.03
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.88)	-	(1.88)
Actuarial (gains)/losses on obligations - due to experience	5.51	-	5.51
<b>Net (income)/expense for the period recognised in OCI</b>	<b>3.66</b>	<b>(0.87)</b>	<b>2.79</b>
Employer Contributions	-	(6.61)	(6.61)
Liability transferred	0.21	-	0.21
Benefits paid	(9.04)	8.28	(0.76)
<b>At the end of the year</b>	<b>78.06</b>	<b>(58.38)</b>	<b>19.68</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Fair value of plan assets as at the end of the year	58.81	58.38
Liability as at the end of the year	(83.95)	(78.06)
<b>Net (liability) / asset</b>	<b>(25.14)</b>	<b>(19.68)</b>
Of the above pertaining to Continuing Operations	(13.23)	-
Of the above pertaining to Discontinued Operations	(11.91)	-
Non Current Portion	(11.78)	(13.15)
Current Portion	(1.45)	(6.53)
Included in Liabilities directly associated with assets classified as held for sale	(11.91)	-

(iii) Sensitivity Analysis

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Projected Benefit Obligation on Current Assumptions	83.95	78.06
Delta Effect of +1% Change in Rate of Discounting	(5.13)	(4.68)
Delta Effect of -1% Change in Rate of Discounting	5.85	5.23
Delta Effect of +1% Change in Rate of Salary Increase	5.60	5.03
Delta Effect of -1% Change in Rate of Salary Increase	(4.91)	(4.61)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.80)	(0.89)
Delta Effect of -1% Change in Rate of Employee Turnover	0.99	0.99

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(iv) Significant actuarial assumptions are as follows:

Particulars	31.03.2023	31.03.2022
Discount Rate	7.39-7.60%	6.84-6.90%
Rate of Return on Plan Assets	7.39-7.60%	6.84-6.90%
Salary Escalation	8.00-10.00%	8.00-10.00%
Attrition Rate	3.00-12.00%	3.00-12.00%

(v) The expected maturity analysis of undiscounted gratuity defined benefits is as follows:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	8.76	10.35
2nd Following Year	8.36	6.92
3rd Following Year	8.06	7.20
4th Following Year	10.16	6.91
5th Following Year	8.69	9.30
Sum of Years 6 to 10	37.80	49.76
Sum of Years 11 and above	36.26	22.12

(vi) Expected contribution to gratuity plan for the year ending March 31, 2024 is ₹9.80 crores (P.Y. ₹9.24 crores).

## Notes to consolidated financial statements for the year ended March 31, 2023

### NOTE 31 : SEGMENT INFORMATION

#### (a) Description of segments and principal activities

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 Parent Company. The Group has identified the following segments i.e. Trading Services, Clearing Services and Strategic Investment as reporting segments based on the information reviewed by CODM.

- 1: Trading Services : This part of the business/offers services related to trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments. Revenue includes transaction charges, listing & book building fees, revenue from data centre charges etc.
- 2: Clearing Services : This part of the business/offers clearing and settlement of the trades executed in the capital markets, future & options, currency derivatives and commodity derivatives segments.
- 3: Strategic Investments : This part of business is related to making or holding all strategic investments in the equity shares and / or other securities of various group companies.
- 4: Other segments includes results of operations from data feed services, data terminal services and index licensing services.

Until the previous quarter ended December 31, 2022, data feed services and index licensing services were disclosed as separate reportable operating segments. During the quarter ended March 31, 2023, the Company has changed the composition of the reportable operating segments to include the data feed services and index licensing services in other segments. The corresponding items of segment information for earlier periods have been accordingly restated.

The above business segments have been identified considering :

- a) the nature of products and services
- b) the differing risks
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Group. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (b) Segment Revenue :

Transactions between segments are carried out at arms length and are eliminated on consolidation. Segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as unallocable. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments.

Segments	For the year ended 31 <sup>st</sup> March, 2023				For the year ended 31 <sup>st</sup> March, 2022			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services	11,182.55	60.19	11,122.36	8,916.13	7,763.32	54.08	7,709.24	6,014.38
Clearing Services	915.78	604.60	311.18	75.56	676.75	414.34	262.41	100.17
Strategic Investments	190.09	190.07	0.02	(8.87)	140.37	140.37	-	(2.71)
Other Segments	637.62	214.95	422.67	265.06	495.04	153.56	341.48	183.32
<b>Total</b>	<b>12,926.04</b>	<b>1,069.81</b>	<b>11,856.23</b>	<b>9,247.88</b>	<b>9,075.48</b>	<b>762.35</b>	<b>8,313.13</b>	<b>6,295.16</b>
Unallocable income (Net of Expenses)				496.25				340.72
Interest income				412.40				219.60
<b>Profit before Exceptional items, contribution to Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax from Continuing Operations</b>				<b>10,156.53</b>				<b>6,855.48</b>
Share of net profits of associates accounted for using equity method				88.50				90.28
<b>Profit before Exceptional items, contribution to Core SGF and Tax</b>				<b>10,245.03</b>				<b>6,945.76</b>
<b>Exceptional items</b>								
Profit on sale of investment in Power Exchange India Limited				-				1.62
Reversal of Provision for Impairment of Intangible assets under development				-				68.23
Settlement compensation towards cancellation of contract				-				15.63
<b>Profit after Exceptional items before contribution to Core SGF and Tax</b>				<b>10,245.03</b>				<b>7,031.24</b>
Contribution to Core settlement guarantee fund				(203.45)				-
Profit before tax from continuing operations				10,041.58				7,031.24
Less: Income Tax Expense								
Current Tax expense				(2,521.01)				(1,685.93)
Deferred Tax expense				(18.69)				(12.41)
<b>Total tax expenses</b>				<b>(2,539.70)</b>				<b>(1,698.34)</b>
<b>Profit from Continuing Operations</b>				<b>7,501.88</b>				<b>5,332.90</b>
(Loss) from discontinued operations before tax				(127.97)				(118.95)
Tax expense of discontinued operations				(17.92)				(15.66)
<b>(Loss) from discontinued operations</b>				<b>(145.89)</b>				<b>(134.61)</b>
<b>Net Profit after tax for the year</b>				<b>7,355.99</b>				<b>5,198.29</b>

(₹ in Crores)

## Notes to consolidated financial statements for the year ended March 31, 2023

### (c) Segment Assets :

Segment assets are measured in the same way as in the Balance Sheet. These assets are allocated based on the operations of the segment.

(₹ in Crores)

Segments	31.03.2023	31.03.2022
Trading Services	4,395.68	4,249.33
Clearing Services *	11,369.65	15,051.20
Strategic Investments	393.49	721.89
Other Segments	133.88	501.46
<b>Total Segment Assets</b>	<b>16,292.70</b>	<b>20,523.88</b>
Assets Classified as held for Sale	786.21	-
Unallocable Assets	19,485.43	15,083.12
<b>Total Assets</b>	<b>36,564.34</b>	<b>35,607.00</b>

Treasury investments held by the Group are not considered to be segment assets but are managed by the treasury function. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable. Interest income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

\* Segment Assets include amount pertaining to Core SGF maintained by NSE Clearing Limited and NSE IFSC Clearing Corporation Limited (NSE IFSC CC) as follows :

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Contribution to Core SGF	4,797.22	3,971.25
Contribution to SGF - Commodity Derivatives	250.00	250.00
Contribution to Core SGF - NSE IFSC CC	11.91	<b>10.77</b>

### (d) Segment Liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

(₹ in Crores)

Segments	31.03.2023	31.03.2022
Trading Services	3,249.09	4,537.35
Clearing Services	11,033.64	14,137.94
Strategic Investments	6.31	1.19
Other Segments	33.79	453.76
<b>Total Segment Liabilities</b>	<b>14,322.83</b>	<b>19,130.24</b>
Liabilities directly associated with assets classified as held for Sale	421.54	-
Unallocable Liabilities	1,339.40	1,058.37
Core Settlement Guarantee Fund	(5,283.61)	(4,255.12)
<b>Total Liabilities</b>	<b>10,800.16</b>	<b>15,933.49</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### (e) Segment Capital Expenditure

(₹ in Crores)

Segments	31.03.2023	31.03.2022
Trading Services	292.83	558.57
Clearing Services	41.14	100.89
Strategic Investments	-	-
Other Segments	14.66	48.77
<b>Total Segment Capital Expenditure</b>	<b>348.63</b>	<b>708.23</b>
Unallocable Capital Expenditure	-	-
<b>Total Capital Expenditure</b>	<b>348.63</b>	<b>708.23</b>

### (f) Revenue From External Customers based on geographies

The company is domiciled in India. The amount of Group revenue from external customers broken down by location of customers.

(₹ in Crores)

Segments	31.03.2023	31.03.2022
India	11,628.63	8,120.72
Outside India	227.60	192.41
<b>Total Revenue</b>	<b>11,856.23</b>	<b>8,313.13</b>

### (g) Segment Depreciation / Amortisation

(₹ in Crores)

Segments	31.03.2023	31.03.2022
Trading Services	328.35	271.24
Clearing Services	44.77	25.69
Strategic Investments	-	-
Other Segments	10.47	13.05
<b>Total Segment Depreciation / Amortisation</b>	<b>383.59</b>	<b>309.98</b>
Unallocable Depreciation / Amortisation	0.47	0.47
<b>Total Depreciation / Amortisation</b>	<b>384.06</b>	<b>310.45</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

**Note 32 :** In compliance with Ind AS 24 - “Related Party Disclosures”, as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

### (a) Names of the related parties and related party relationships

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	Power Exchange India Limited	Associate Company	Trading Facility in power	29.21%
2	Protean e-Governance Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited)	Associate Company	E-Governance Solutions	25.05%
3	National Securities Depository Limited	Associate Company	Depository Services	24.00%
4	Market Simplified India Limited	Associate Company	Software Industry	30.00%
5	BFSI Sector Skill Council of India	Associate Company	Skill Council	49.00%
6	Receivables Exchange of India Limited	Associate Company	Online Platform for financing receivables (TReDS)	30.00%
7	Capital Quants Solutions Private Limited	Associate Company	Data processing	17.00%
8	Indian Gas Exchange Limited	Associate Company	Gas Exchange	25.61%
9	India International Bullion Holding IFSC Limited	Associate Company	Investment Entity	20.00%
10	India International Bullion Exchange IFSC Limited	Subsidiary of Associate Company	Bullion Exchange	20.00%
11	Shri Ashishkumar Chauhan	Managing Director & CEO (w.e.f. July 26, 2022)		
12	Shri Vikram Limaye	Managing Director & CEO (upto July 16, 2022)		
13	Shri Girish Chandra Chaturvedi	Chairman & Public Interest Director		
14	Shri Sundararajarao Sudarshan	Public Interest Director		
15	Shri Narsimha Murthy Kummamuri	Public Interest Director		
16	Smt. Mona Bhide	Public Interest Director		
17	Shri Veneet Nayar	Shareholder Director		
18	Shri Bishnu Charan Patnaik	Shareholder Director (w.e.f. September 8, 2022)		
19	Shri S Ravindran	Public Interest Director (w.e.f. December 17, 2022)		
20	Smt. Anuradha Rao	Public Interest Director (upto December 16, 2022)		
21	Shri Prakash Parthasarathy	Shareholder Director (upto August 25, 2021)		
22	Smt. Sunita Sharma	Shareholder Director (upto July 12, 2022)		

## Notes to consolidated financial statements for the year ended March 31, 2023

Details of interests in subsidiaries are set out in note 39.

(₹ in Crores)

<b>Power Exchange of India Limited</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Nature of Transactions</b>		
Application Development and Maintenance Services	3.03	-
Infrastructure Management Services	0.16	-
Closing balances (Credit) / Debit	0.02	-

(₹ in Crores)

<b>Protean e-Governance Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited)</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Nature of Transactions</b>		
PAN verification charges paid	0.45	0.60
Application Development and Maintenance Services	0.67	-
Fees and Subscription	0.03	0.01
Dividend received	10.02	9.02
Sitting Fees Received	0.16	0.09
Director Commission received	0.24	0.15
Closing balances (Credit) / Debit	0.06	-

(₹ in Crores)

<b>National Securities Depository Limited</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Nature of Transactions</b>		
Dividend received	4.80	4.80
Depository operation fees	-	0.21
Annual Custody Fees	0.01	0.01
STP Charges Received	0.01	0.03
Sitting Fees Received	0.07	0.05
Application Development and Maintenance Services	0.40	-
DP Validation Charges	0.91	3.00
Closing balances (Credit) / Debit	(0.52)	(0.55)

(₹ in Crores)

<b>Receivables Exchange Of India Limited</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Nature of Transactions</b>		
Closing balances (Credit) / Debit	0.19	0.27

(₹ in Crores)

<b>Capital Quants Solutions Private Limited</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
<b>Nature of Transactions</b>		
Software Expenses	0.15	-
License Fees	0.23	0.07

## Notes to consolidated financial statements for the year ended March 31, 2023

(₹ in Crores)

India International Bullion Holding IFSC Limited	31.03.2023	31.03.2022
<b>Nature of Transactions</b>		
Reimbursement of Expenses Received	-	0.02
Subscription of Equity share capital	10.00	20.00
Closing balances (Credit) / Debit	-	0.02

(₹ in Crores)

India International Bullion Exchange IFSC Limited	31.03.2023	31.03.2022
<b>Nature of Transactions</b>		
License Fees	0.10	0.14

(₹ in Crores)

Key Management Personnel - Shri Ashishkumar Chauhan - Managing Director & CEO (w.e.f. July 26, 2022)	31.03.2023	31.03.2022
<b>Nature of Transactions</b>		
Short-term employee benefits	5.30	-
Post-employment benefits(Refer note 32.1)	0.35	-
Total Remuneration	5.65	-

(₹ in Crores)

Key Management Personnel - Shri Vikram Limaye - Managing Director & CEO (upto July 16, 2022)	31.03.2023	31.03.2022
<b>Nature of Transactions</b>		
Short-term employee benefits	6.26	10.10
Post-employment benefits(Refer note 32.1)	0.10	0.30
Long-term employee benefits(Refer note 32.2)	1.68	1.42
Termination Benefits	1.15	-
Total Remuneration	9.19	11.82

(₹ in Crores)

Key Management Personnel	31.03.2023	31.03.2022
<b>Nature of Transactions</b>		
Sitting Fees Paid to Directors	2.62	2.74

32.1 As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

\* 0.00 denotes amounts below the rounding off convention.

32.2 Includes 50% of the variable pay payable after 3 years subject to certain conditions.

32.3 All related parties transaction enter during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amount owed by related parties.

32.4 Other than as disclosed in note 35 (n) there have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2023, and March 31, 2022.

## Notes to consolidated financial statements for the year ended March 31, 2023

**33** On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of “Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal’ in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. The Employees’ Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter. The Group has given effect to this judgment with effect from April 1, 2019. In Group’s assessment, this did not have a significant impact on its financial statements.

### Note 34 : CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	321.32	219.89
Other commitments (primarily in respect of operating expenses)	874.83	629.08

### Note 35 : CONTINGENT LIABILITIES & OTHER REGULATORY MATTERS:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
a) Claims against the Group not acknowledged as debts other than matters disclosed below	12.89	12.89

b) 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 NSE and to some of its employees, including former employees, in respect of the alleged preferential access to tick-by-tick data in NSE’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 NSE 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. With respect to Adjudication notices pertaining to preferential access to tick-by-tick data at NSE’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 ₹1 crore, ₹7 crore and ₹1 crore, respectively.

NSE 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 NSE to transfer the amount of ₹624.89 crore in the Colocation matter and ₹62.58 crore in the Dark Fibre matter totaling to ₹687.47 crore to SEBI which was remitted by NSE on June 13, 2019. Further, NSE 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.

## Notes to consolidated financial statements for the year ended March 31, 2023

NSE's appeal in respect of the colocation matter had been heard by the Hon'ble SAT and the same was reserved for orders, NSE 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 was remitted by NSE on June 17, 2021. Accordingly, as on December 31, 2022, a total amount of ₹1,107.47 crore had been deposited by NSE 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 ₹100 crores on NSE as a deterrent for the lack of due diligence. NSE has duly provided for the said penalty in its financial statements for the year ended March 31, 2023. This said penalty amount is to be adjusted by SEBI against the disgorgement amount already deposited by NSE, which is to be refunded by SEBI within six weeks along with interest.

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 ₹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 ₹300 Crores was received by NSE on April 21, 2023. The returnable date for the matter would be in the month of September 2023.

With respect to adjudication orders, SAT, in an appeal filed by NSE stayed the penalty levied by SEBI in relation to preferential access to tick by tick data at NSE's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest matters. Hearings in the Dark Fibre matter before SAT has been concluded and is now reserved for Orders.

NSE 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 statements as of and for the year ended March 31, 2023, and March 31, 2022.

- c) NSE 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 NSE with an alleged third party by former Managing Director & Chief Executive Officer. NSE 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 ₹2 Crore which has been paid by NSE. In this direction, certain investigating agencies have been making inquiries and seeking various information, data etc. from NSE, which is being provided.
- d) In case of NSE, SEBI issued an Adjudication Show Cause Notice on July 31, 2020, with respect to investments made by NSE and its subsidiary in certain entities alleging that the investments made by NSE were in activities that were unrelated and non-incident to its activities as a stock exchange. SEBI subsequently after detailed hearing in its order dated October 01, 2020, levied a penalty of ₹6 Crore on NSE (₹1 Crore for each of the investments made by NSE and its subsidiaries). NSE had preferred an appeal against the SEBI order challenging the findings and the said penalty levied by SEBI. SAT had stayed the effect and operation of the order during the pendency of the appeal. During the year ended March 31, 2022, SAT vide its order dated January 04, 2022, quashed the Adjudicating Notice including the penalty levied by the Adjudication Order. SEBI preferred an appeal before the Supreme Court against the SAT order and the matter is pending for hearing.
- e) In case of NSE, 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 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

## Notes to consolidated financial statements for the year ended March 31, 2023

penalty of ₹2 crores. The Company preferred an appeal against the SEBI order and SAT vide its interim order has stayed the SEBI directive. 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 statements as of and for the year ended March 31, 2023 and March 31, 2022.

- f) In case of NSE Clearing Limited (NCL), During the year ended March 31, 2022, SEBI had issued a show cause notice to the company alleging non-compliance with certain paragraphs of SEBI circular dated December 17, 2018 for failure to share alerts with other exchange post interoperability. During the year ended March 31, 2023, SEBI levied penalty of ₹0.25 crores to the Company, the same is included in other expenses for the year ended March 2023. The same has been paid on February 9, 2023.
- g) On February 24, 2021, NSE'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 NSE, 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. NSE and NCL have submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021, directed NSE and NCL to pay financial disincentive of ₹25 lakhs each. The said amount was paid by NSE on July 12, 2021, and NCL on July 14, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021, to NSE, NCL 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, NSE and NCL have taken necessary remedial actions and both have filed consent application with SEBI on August 31, 2021 and September 03, 2021, respectively, against which, during the year, preliminary hearing on maintainability of the said consent application had taken place and the NSE and NCL has filed revised consent terms on March 19, 2023. The revised consent application is under review with relevant authority at SEBI. NSE and NCL 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 as of and for the year ended March 31, 2023.
- h) In case of NSE, The Company has received various correspondences on matters relating to operations of the Company, including inspections from SEBI which have been replied to by the Company. Basis the replies filed, the Company's management do not expect any material impact on the financial statements of the Company.
- i) In case of NSE, in a complaint filed by a competitor against the Company, the Competition Commission of India directed the Company to pay a penalty of ₹55.50 crores (March 31, 2021: ₹55.50 crores). The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has thereafter appealed before the Hon'ble Supreme Court of India, which stayed the penalty. In respect of the same subject matter, a separate compensation claim has been filed against the Company in January 2015 amounting to ₹856.99 crores, which has been disputed by the Company. The Compensation proceedings are also stayed by the Hon'ble Supreme Court of India. Based on the legal advice, the Company is of the view that there exist strong grounds in the appeal filed by the Company before the Hon'ble Supreme Court. In view of the same no provision has been made in respect of penalty and compensation claimed in these financial statements.
- j) In case of NSE, a criminal writ petition has been filed by clients of the Anugrah Stock and Broking Ltd (Defaulted Member) before the Hon'ble High Court of Bombay, seeking investigation by a special investigating team (SIT) in to alleged wrong doing, cheating, fraud, breach of trust committed upon the public at large, by NSE, BSE Ltd, NCL, Defaulted Member and its officers, Teji Mandi and its officers and Edelweiss Custodial Services Pvt Ltd (ECL) in collusion with each other. The matter is currently pending before the High Court of Bombay. Based on the opinion of the legal counsel, the Company is of the view that there exists strong grounds to contest the above writ petition filed against the Company. In view of the same, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2023 and March 31, 2022.
- k) During the year ended March 31, 2023, NSE received a show cause notice vide letter dated February 28, 2023, from SEBI on

## Notes to consolidated financial statements for the year ended March 31, 2023

the Trading Access Point (TAP) matter. NSE 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 NSE during the financial year ended March 31, 2022. In the application, NSE 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. NSE’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 statements as of and for the year ended March 31, 2023.

- l) In case of NSE IFSC Limited (NSE IFSC), the company has received a show cause notice from Office of the Development Commissioner, GIFT SEZ on October 21, 2022 for non-achievement of positive Net Foreign Exchange for the first block of five years from June 2017 to June 2022. The company has filed the necessary reply and have attended the physical hearings in the said matters. The orders in the said matter is awaited. The Company is of the view that it has reasonably strong grounds to contest the said show cause and hence no provision / adjustment to this effect has been made in the financial statements for the year ended March 31, 2023.
- m) In case of NSEIT Limited, during the previous financial year 2021-22, NSEIT Limited had received two orders from Regional PF Commissioner- I Kandivali (RPFC), levying damages u/s 14B for an amount of appx. ₹1.63 crores and interest u/s 7Q of appx. ₹0.79 crores of Employees Provident Fund and Misc. Provisions Act, 1952 (the Act) for delays in transfer of funds from the erstwhile NSEIT Employees Provident Fund at the time of voluntary surrender of the fund to RPFC. Based on the writ petition filed by the Company, on July 14, 2022, the Company has received an order from the High Court, Mumbai quashing and setting aside the order u/s 7 Q of ₹0.79 crores, as regards order passed u/s 14B of ₹1.63 crores the Company had received an interim stay order dated June 16, 2021, from Central Government Industrial Tribunal (CGIT) in the appeal filed by NSEIT Limited. NSEIT Limited is of the view that there exist strong grounds in the appeal filed by the Company. In view of the same no provision has been made in these financial statements.

Based on the legal opinion/advice received, the Group is of the view that the above matters are not likely to have any material impact on the financial position of the Group.

- n) During the year ended March 31, 2021, 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 NSE IFSC-SGX Connect and ensure member readiness prior to its implementation. Further, NSE IFSC on March 28, 2022, entered into an operational agreement with SGX India Connect IFSC Private Limited (SGX-SPV), Singapore Exchange Derivatives Clearing Limited and NSE IFSC Clearing Corporation Limited (NICCL) to operationalise the NSE IFSC-SGX Connect. As a first phase of operationalisation of the NSE IFSC-SGX Connect, trading of Negotiable Large Trades (NLT) from Singapore Exchange (SGX Group) has been introduced from May 16, 2022, and on July 29, 2022, NSE IFSC-SGX Connect has been launched. As per this operational agreement, NICCL 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. In this regard during the current year, NICCL has availed Bank Guarantee facility from Standard Chartered Bank amounting to USD 20 million (₹163.10 crores), in respect of which NSE has provided corporate guarantee to the Standard Chartered Bank.
- o) Other Contingent Liabilities on account of disputed demand of:

Particulars	₹ in Crores	
	31.03.2023	31.03.2022
Income tax matters	750.79	620.89
Fringe Benefit Tax matters	0.01	0.01
Wealth tax matters	0.11	0.09
Goods & Service Tax matters	1.25	1.23
Services tax matters along with penalty thereon	152.62	152.13
Group's share of associates	22.78	34.98

## Notes to consolidated financial statements for the year ended March 31, 2023

The Group's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial statements.

(₹ in Crores)

	31.03.2023	31.03.2022
p) Bank guarantees (Refer note below)	4,029.00	3,049.40
Group's share of associates	0.06	0.06

NSE Clearing Limited has commenced Clearing & Settlement activities for Capital market segment, Equity Derivatives and Currency Derivatives segment under interoperability framework as prescribed by SEBI. Total bank guarantee provided by NCL in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI as on March 31, 2023 ₹4,000 crores (March 31, 2022 ₹3,000 crores).

### 36 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Trade Payables includes ₹1.88 Crores (March 31, 2022: ₹7.99 crores) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group. The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows.

(₹ in Crores)

Description	31.03.2023	31.03.2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.88	7.99
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.00	0.00
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest Accrued and remaining unpaid at the end of each accounting year *	0.00	0.00
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

\* 0.00 denotes amounts below the rounding off convention

## Notes to consolidated financial statements for the year ended March 31, 2023

- 37 a)** Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interlia, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%) and also norms issued under Interoperability Framework. Further, SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits to Core SGF.

### I Details of Core SGF as on March 31, 2023 are as follows :

(₹ in Crores)

Details of MRC of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Total
NCL own contribution	119.96	805.00	89.09	3.00	8.50	5.00	1,030.55
Interest Adjusted towards NCL `s contribution	54.04	363.00	32.91	-	-	-	449.95
Contribution by NSE on behalf of members	67.70	454.45	23.00	-	-	2.50	547.65
Interest Adjusted towards member `s contribution	19.30	129.55	38.00	-	-	-	186.85
Contribution by NSE	65.36	409.81	24.00	1.00	8.50	2.50	511.17
Interest Adjusted towards NSE `s contribution	21.65	174.19	24.00	-	-	-	219.84
Contribution by BSE Limited (BSE)	7.56	0.05	15.16	-	-	-	22.77
Contribution by Metropolitan Stock Exchange of India (MSE)	-	-	1.33	-	-	-	1.33
Interest Adjusted towards MSE `s contribution	0.01	-	-	-	-	-	0.01
Others (Financials Disincentives)	1.00	-	-	-	-	-	1.00
<b>Total</b>	<b>356.58</b>	<b>2,336.05</b>	<b>247.50</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>2,971.12</b>
<b>Previous Year</b>	<b>219.36</b>	<b>1,344.05</b>	<b>211.71</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>1,806.12</b>

### II Details of Core SGF as on March 31, 2022 are as follows :

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
<b>I Contribution to Corpus of Core SGF</b>								
a NCL own contribution	107.00	672.00	100.00	3.00	8.50	5.00	-	895.50
b Contribution by NSE on behalf of member`s	53.00	336.00	50.00	-	-	2.50	-	441.50
c Contribution by NSE	54.00	336.00	48.00	1.00	8.50	2.50	327.51	777.51
d Contribution by BSE	4.36	0.05	12.58	-	-	-	-	16.99
e Contribution by MSE	0.00	-	1.12	-	-	-	-	1.12
f Others (Financials Disincentives)	1.00	-	-	-	-	-	-	1.00
<b>1 Total (a+b+c+d+e)</b>	<b>219.36</b>	<b>1,344.05</b>	<b>211.70</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>327.51</b>	<b>2,133.62</b>
2 Penalty	196.37	956.80	42.59	-	-	0.12	-	1,195.88
3 Income on Investments	58.91	544.42	21.34	0.99	4.09	1.87	10.14	641.76
<b>Grand Total (1+2+3)</b>	<b>474.64</b>	<b>2,845.27</b>	<b>275.63</b>	<b>4.99</b>	<b>21.09</b>	<b>11.99</b>	<b>337.65</b>	<b>3,971.26</b>

### III Contribution made during the year 2022-23

#### Contribution during the year

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
<b>NCL own contribution</b>	-							
Direct contribution\$	42.00	212.00	13.89	-	-	-	-	267.89
Adjusted from interest income **	25.00	284.00	8.11	-	-	-	-	317.11
Others (Financials Disincentives)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>67.00</b>	<b>496.00</b>	<b>22.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>585.00</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Contribution by NSE on behalf of Member

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct contribution	-	4.00	-	-	-	-	-	4.00
Contribution adjusted from NSE other contribution #	24.77	154.45	-	-	-	-	-	179.22
Adjusted from interest income**	9.23	89.55	11.00	-	-	-	-	109.78
<b>Total</b>	<b>34.00</b>	<b>248.00</b>	<b>11.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>293.00</b>

### Contribution by NSE

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Contribution adjusted from NSE Other Contribution #	24.71	112.81	-	-	-	-	-	137.52
Adjusted from interest income**	<b>8.29</b>	<b>135.19</b>	-	-	-	-	<b>326.74</b>	<b>470.22</b>
Excess contribution transfer to other clearing corporation***	-	-	-	-	-	-	(326.74)	(326.74)
<b>Total</b>	<b>33.00</b>	<b>248.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>281.00</b>

### Contribution by BSE

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct Contribution	2.98	-	1.98	-	-	-	-	4.96
Adjusted from Interest Income **	0.23	-	0.60	-	-	-	-	0.83
<b>Total</b>	<b>3.21</b>	<b>-</b>	<b>2.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.79</b>

### Contribution by MSEI

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct contribution	0.01	-	0.14	-	-	-	-	0.15
Adjusted from interest income**	-	-	0.07	-	-	-	-	0.07
<b>Total</b>	<b>0.01</b>	<b>-</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.22</b>

### Income during the period ( Net Off adjustment towards MRC) \*\*

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Current year	Previous year
Penalty	71.49	229.45	8.85	-	-	0.04	-	309.84	326.13
Income on : Investments/Tax Refunds^	30.16	203.83	22.35	0.03	1.27	0.40	-1.91	256.13	126.37
Less : Income adjusted against MRC**	42.74	508.74	19.78	-	-	-	-	571.27	6.01
Less : Income adjusted towards transfer of contribution to Other Clearing Corporation***	-	-	-	-	-	-	7.00	7.00	12.68
Income on Investments ( Net Off adjustment towards MRC )	(12.59)	(304.91)	2.57	0.03	1.27	0.40	(8.91)	(322.14)	107.68

^ Includes Interest on Income Tax refund of ₹5.83 crores less income tax thereon of ₹2.44 crores.

## Notes to consolidated financial statements for the year ended March 31, 2023

### IV Details of Core SGF a on March 31, 2023 are as follows :

Out of the above the details of the cash contributions and investment of the same are as follows :

#### I Contribution to Corpus of Core SGF

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other#	Total
NCL own contribution	174.00	1,168.00	122.00	3.00	8.50	5.00	-	1,480.50
Contribution by NSE on behalf of member's	87.00	584.00	61.00	-	-	2.50	-	734.50
Contribution by NSE	87.00	584.00	48.00	1.00	8.50	2.50	0.77	731.77
Contribution by BSE	7.57	0.05	15.16	-	-	-	-	22.78
Contribution by MSE	0.01	-	1.33	-	-	-	-	1.33
Others (Financials Disincentives)	1.00	-	-	-	-	-	-	1.00
<b>1 Total</b>	<b>356.58</b>	<b>2,336.05</b>	<b>247.49</b>	<b>4.00</b>	<b>17.00</b>	<b>10.00</b>	<b>0.77</b>	<b>2,971.89</b>
<b>2 Penalty</b>	<b>267.86</b>	<b>1,186.26</b>	<b>51.44</b>	<b>-</b>	<b>-</b>	<b>0.16</b>	<b>-</b>	<b>1,505.72</b>
<b>3 Income on Investments ( After allocation towards MRC)</b>	<b>46.32</b>	<b>239.51</b>	<b>23.91</b>	<b>1.02</b>	<b>5.36</b>	<b>2.27</b>	<b>1.22</b>	<b>319.61</b>
<b>Grand Total (1+2+3)</b>	<b>670.77</b>	<b>3,761.82</b>	<b>322.84</b>	<b>5.02</b>	<b>22.36</b>	<b>12.43</b>	<b>1.99</b>	<b>4,797.22</b>

#### II Details of Investment

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
1 Mutual Funds	-	-	-	-	-	-	-	-
1 Fixed Deposit with Banks	50.07	460.37	18.54	-	-	-	-	528.98
2 Government securities*	527.65	3,185.19	265.10	1.01	21.54	12.08	-	4,012.57
3 Flexi Fixed Deposits	88.77	87.56	34.99	0.01	0.78	0.21	1.19	213.51
4 Balance in bank Accounts	1.05	0.80	2.99	3.96	0.02	0.14	-	8.96
5 Accrued interest	2.69	23.02	0.97	-	-	-	0.80	27.49
6 Prepaid taxes	0.53	4.86	0.24	0.04	0.02	-	-	5.70
<b>Grand Total (1+2+3+4+5+6)</b>	<b>670.77</b>	<b>3,761.80</b>	<b>322.84</b>	<b>5.02</b>	<b>22.36</b>	<b>12.43</b>	<b>1.99</b>	<b>4,797.22</b>
<b>Previous Year</b>	<b>474.64</b>	<b>2,845.27</b>	<b>275.63</b>	<b>4.99</b>	<b>21.09</b>	<b>11.99</b>	<b>337.65</b>	<b>3,971.25</b>

37.1 \$ Debited to retained earnings (Refer note 13b).

37.2 # Other contribution is balance amount of transfer from NSE pertains to 25% of NSE`s Annual profits as contribution to Core SGF. SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by members and NSE.

37.3 \*\* SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them.

37.4 \*\*\* Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, ₹21.08 crores (Previous Year ₹15.97 crores) contribution of other stock exchanges received from respective clearing corporation and also a sum of ₹90.19 crores (Previous Year ₹83.19 crores) of NSE contribution transferred to other clearing corporation.

37.5 \* Aggregate amount of quoted investments and market value ₹3,995.28 crores.

## Notes to consolidated financial statements for the year ended March 31, 2023

(b) In case of NSE IFSC Clearing Corporation Limited, as per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021 Regulation-31 on Settlement Guarantee Fund:

- (1) A recognised clearing corporation shall establish and maintain a Settlement Guarantee Fund to guarantee the settlement of trades executed on a stock exchange.
- (2) The fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.
- (3) In the event of a recognised clearing member failing to honour its settlement obligations, the fund shall be utilised to complete such settlement.
- (4) The corpus of the fund shall be adequate to meet the settlement obligations arising on account of failure of clearing member(s).
- (5) The sufficiency of the corpus of the fund shall be tested by way of periodic stress tests, in the manner specified by the Authority.
- (6) A recognised clearing corporation shall evolve a detailed framework for the settlement guarantee fund, subject to approval of the Authority.

(₹ in Crores)

Particulars	As at 31.03.2023	As at 31.03.2022
Company`s own contribution*	11.59	10.65
Penalty collected from members	0.05	0.05
Accrued interest on Core SGF Fixed Deposit	0.27	0.06
	<b>11.91</b>	<b>10.76</b>

\*Company`s own contribution includes contributions of ₹ NIL made during current year (₹ NIL previous year 2021-22), Interest received on Core SGF Fixed Deposits of ₹0.04 crores (₹0.50 crores previous year 2021-22) and balance increase is on account of currency fluctuation.

- (c) The Board of Directors of NSE in their meeting on March 23, 2023, approved the voluntary contribution of ₹203.45 crores to the Core Settlement Guarantee Fund (“the Fund”) to maintain corpus of the said Fund based on the assessment of the current trends in volumes and overall increase in market activities. This contribution has been determined at 2% of the transaction charges earned by NSE for the financial year ended March 31, 2023. Accordingly, NSE has recognised an expense of ₹203.45 Crores towards contribution to Core SGF, in the Statement of Profit and Loss. During the year ended March 31, 2023, NSE has paid ₹4 crores to the fund managed by NSE Clearing Limited (“NCL”) and subsequently has also transferred the balance amount of ₹199.45 crores to the Fund managed by NCL on May 10, 2023.
- (d) NSE Clearing Limited had received approval from SEBI to start clearing & settlement activities in Commodity Derivatives and commenced operations with effect from October 12, 2018. As required by SEBI an amount of ₹250 crores (Previous Year ₹250 crores) has been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the company has also earmarked investments amounting to ₹250 crores (Previous Year ₹250 crores) towards the same.

## Notes to consolidated financial statements for the year ended March 31, 2023

### 38 LEASE

#### (i) Amounts recognised in balance sheet

The balance sheet includes the following amount relating to leases:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Right-of-use-assets</b>		
Land	72.11	73.41
Buildings	109.29	90.29
Computers	3.98	2.12
<b>Total</b>	<b>185.38</b>	<b>165.82</b>

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Lease liabilities</b>		
Current	23.44	17.59
Non Current	112.88	97.09
<b>Total</b>	<b>136.32</b>	<b>114.68</b>

#### (ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amount relating to leases:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Depreciation charge of Right-of-use assets</b>		
Leasehold Land	1.30	1.30
Buildings	12.28	22.95
Computers	0.57	0.49
<b>Total</b>	<b>14.15</b>	<b>24.74</b>

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Interest expenses	8.61	8.90
<b>Total</b>	<b>8.61</b>	<b>8.90</b>

#### (iii) Extension and termination options

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

## Notes to consolidated financial statements for the year ended March 31, 2023

Details of lease and redemption liability movement is summarised below

### (iv) Net debt reconciliation

(₹ in Crores)

Particulars	Leases	Redemption liability	Total
<b>Net debt as at April 01, 2021</b>	<b>70.83</b>	<b>-</b>	<b>70.83</b>
Add: Interest expense	8.90	-	8.90
Add: Addition of leases	64.19	-	64.19
Add: Redemption liability (Refer note 46)	-	181.29	181.29
Less: Cash flows	(29.25)	-	(29.25)
<b>Net debt as at March 31, 2022</b>	<b>114.68</b>	<b>181.29</b>	<b>295.97</b>
Add: Interest expense	8.61	-	8.61
Add: Addition of leases	54.19	-	54.19
Less: Adjustment on account of Discontinued Operations	(22.72)	(181.29)	(204.01)
Less: Cash flows	(18.44)	-	(18.44)
<b>Net debt as at March 31, 2023</b>	<b>136.32</b>	<b>-</b>	<b>136.32</b>

## 39. INTERESTS IN OTHER ENTITIES

### (a) Subsidiaries

The Group's subsidiaries are set out below. Share capital consisting solely of equity shares including preference shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	With effect from	Principal Place of business / country of incorporation	Ownership interest held by the Group		Principal activities
			March 31, 2023	March 31, 2022	
NSE Clearing Limited	31-Aug-95	India	100.00	100.00	Clearing and settlement
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100.00	100.00	Clearing and settlement
NSE IFSC Limited	29-Nov-16	India	100.00	100.00	Stock exchange services
NSE Foundation (Section 8 Company)	05-Mar-18	India	100.00	100.00	Corporate social responsibility activities
NSE Investments Limited	31-Jan-13	India	100.00	100.00	Investment entity
NSE Indices Limited	02-Aug-06	India	100.00	100.00	Index services
NSE Infotech Services Limited (Refer Note 44)	02-Aug-06	India	100.00	100.00	IT services
NSE Data & Analytics Limited	02-Jun-00	India	100.00	100.00	Data feed services
Cogencis Information Services Limited	21-Jan-21	India	100.00	100.00	Data terminal services
NSE Academy Limited (Refer Note 53)	12-Mar-16	India	100.00	100.00	Financial literacy programmes
Talentsprint Private Limited (Refer Note 53)	10-Nov-20	India	80.82	73.62	Skill development and training programme
TalentSprint Inc. (Refer Note 53)	29-Nov-21	The United States of America	100.00	73.62	Skill development and training programme
NSEIT Limited (Refer Note 53)	29-Oct-99	India	100.00	100.00	IT services
NSEIT (US) Inc. (Refer Note 53)	04-Dec-06	The United States of America	100.00	100.00	IT services
Aujas Cybersecurity Limited (formerly known as Aujas Networks Limited and Aujas Networks Private Limited) (Refer Note 53)	22-Mar-19	India	100.00	100.00	IT security services
CXIO Technologies Private Limited (Refer Note 53)	08-Jul-21	India	92.50	60.00	IT cloud services

## Notes to consolidated financial statements for the year ended March 31, 2023

### (b) Interests in associates

Set out below are the associates of the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly or indirectly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)		Accounting method	Carrying Value		Share of Profit/ (Losses) from Associates	
			March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
National Securities Depository Limited	India	Associate	24.00	24.00	Equity method	322.92	270.91	56.32	55.50
Power Exchange India Limited (Refer 39.2)	India	Associate	29.21	29.21	Equity method	-	-	-	-
Protean eGov Technologies Ltd	India	Associate	25.05	25.05	Equity method	260.08	242.93	27.41	35.82
Market Simplified India Limited	India	Associate	30.00	30.00	Equity method	-	-	-	-
BFSI Sector Skill Council of India (Refer note 39.1)	India	Associate	49.00	49.00	NA	1.00	1.00	-	-
Indian Gas Exchange Limited	India	Associate	25.61	25.61	Equity method	26.72	19.56	7.13	0.46
Capital Quant Solutions Private Limited	India	Associate	17.00	17.00	Equity method	2.85	2.99	(0.15)	0.01
Receivables Exchange of India Limited	India	Associate	30.00	30.00	Equity method	9.88	7.23	2.64	(0.10)
India International Bullion Holding IFSC Limited	India	Associate	20.00	21.39	Equity method	25.99	19.09	(4.85)	(1.41)
<b>Total equity accounted investments</b>						<b>649.44</b>	<b>563.71</b>	<b>88.50</b>	<b>90.28</b>

39.1 BFSI Sector Skill Council of India, an associate company incorporated under section 8 of Companies Act, 2013, and has been set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Accordingly, share of profit of this company has not been accounted using equity method.

39.2 NSE Investments Limited, a subsidiary of NSE holds 1,70,76,527 equity shares representing 29.21% shareholding of Power Exchange India Limited (PXIL). As per the Power Market Regulations, 2010, NSE Investments Limited was required to bring down its shareholding in PXIL to 25% by April 2022. Accordingly, to meet with the requirement of the said guidelines, during the previous year, NSE Investments Limited had entered into the Share Purchase Agreement on January 28, 2022 with NTPC Vidyut Vyapar Nigam Limited (NVTNL), a wholly owned subsidiary of NTPC for divesting its shareholding in PXIL of 5% constituting 29,23,503 equity shares through secondary market. As NSE Investments Limited has diminished the entire investment in PXIL in earlier years, the stake sale resulted in inflow of ₹1.62 crores to NSE Investments Limited which is shown as an exceptional item during the previous year.

## Notes to consolidated financial statements for the year ended March 31, 2023

### 40 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Risk Management Committee of the Group is supported by the Treasury department that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial position from financial risks.
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies generated funds and investments.

#### A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in Group's cash flow could impair investor confidence.

The Group maintained a cautious funding strategy, with a positive cash balance throughout the years ended March 31, 2023 and March 31, 2022. Cash flows from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

The Group's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operations, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing deposits and other marketable debt investments including the government securities, mutual funds and exchange traded funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2023</b>					
Trade payables	14	262.16	262.16	-	262.16
Deposits	16, 24	2,886.61	2,886.61	-	2,886.61
Lease liabilities	38	136.32	23.44	225.98	249.42
Other liabilities	15, 16	4,613.75	4,597.40	16.35	4,613.75
<b>As at March 31, 2022</b>					
Trade payables	14	349.21	349.21	-	349.21
Deposits	16, 24	2,328.90	2,328.90	-	2,328.90
Lease liabilities	38	114.67	17.59	212.69	230.28
Other liabilities	15, 16	9,360.28	9,241.88	118.40	9,360.28

## Notes to consolidated financial statements for the year ended March 31, 2023

### B MANAGEMENT OF MARKET RISK

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The objective of the Group's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. PRICE RISK</b>		
<p>The Group is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>At 31st March 2023, the exposure to price risk due to investment in mutual funds amounted to ₹8,329.02 crores (March 31, 2022: ₹9216.75 crores).</p>	<p>In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board.</p>	<p>As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments, the Group has calculated the impact as follows.</p> <p>For mutual funds, a 0.25% increase in prices would have led to approximately an additional ₹20.82 crores gain in the Statement of Profit and Loss (2021-22: ₹23.04 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p>
<p>At 31st March 2023, the exposure to price risk due to investment in equity instruments amounted to ₹113.54 crores (March 31, 2022: ₹119.87 crores).</p>		<p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹11.34 crores gain in the Statement of Profit and Loss (2021-22: ₹11.98 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<b>2. INTEREST RATE RISK</b>		
<p>The Group is mainly exposed to the interest rate risk due to its investment in government securities measured at FVOCI. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.</p> <p>As at 31st March, 2023, the exposure to interest rate risk due to investment in government securities amounted to ₹2,850.77 crores (March 31, 2022 : ₹1831.74 crores).</p> <p>The Group invests in term deposits for a period ranging from 3 months to 3 years. The Group's investments are primarily in fixed rate bearing investments. Hence, the Group is not significantly exposed to interest rate risk.</p>	<p>In order to manage its interest rate risk arising from investments in government securities, the Group diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 0.25% change in interest rates.</p> <p>A 0.25% increase in interest rates would have led to approximately an additional ₹24.35 crores loss in the Statement of Profit and Loss (2021-22: ₹12.29 crores gain). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

## Notes to consolidated financial statements for the year ended March 31, 2023

### C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

#### Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables, supported by the level of default, the Group's assessment of credit risk is low. Accordingly, provision for expected credit loss on trade receivables is not material.

#### Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks / financial institutions, treasury bills, certificate of deposit, investments in marketable debt instruments including government securities and mutual funds. The Group has diversified portfolio of investment with various number of counter-parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group's Treasury department.

The Group's maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 is the carrying value of each class of financial assets as disclosed in note 4, 5, 6, 9, 10, 11 and 12.

### D EXPECTED CREDIT LOSS ON FINANCIAL ASSETS

The Group's investment in Non convertible debenture of IL&FS Group amounting to ₹80.13 crores have been classified as credit impaired in the financial year 2018-19 on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, Group recognised impairment loss of ₹80.13 crores on such financial assets in the profit and loss account in the financial year 2018-19. During the current year, the Group has received an amount of ₹13.77 crores which is disclosed under other expenses "reversal of impairment losses on financial assets"

### E CAPITAL MANAGEMENT

The Group considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet includes retained profits, other reserves, share capital, share premium).

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In the current year ended March 31, 2023, the Group has appropriated an amount of ₹6,583 crores from retained earnings to a separate risk reserve within equity towards adequate risk capital management. This has been determined taking into consideration various factors and risks including market risk, credit risk, members default risk, operational risk, etc. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Group is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders. The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 13 (b) for the final and interim dividends declared and paid.

#### Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, NSE shall have a minimum networth of ₹100 crore at all times.

Capital requirement of NSE Clearing Limited (NCL) is regulated by Securities and Exchange Board of India (SEBI). SEBI vide Regulation 14(3) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

## Notes to consolidated financial statements for the year ended March 31, 2023

(SECC Regulations) adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations to adequately cover counterparty credit risk, business risk, orderly wind-down and operational and legal risk. As per Regulation 14(3)(c) of SECC Regulations, 2018 every Clearing Corporation shall have a minimum net worth of ₹100 crores or networth computed as per the risk-based approach as specified by SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019, whichever is higher. Accordingly, the networth requirement for the NCL calculated as per the above SEBI circular is ₹1,270.36 crores based on audited financial statements for year ended March 31, 2022, this minimum requirement of net worth is required to be maintained throughout the year ended March 31, 2023 and the same has been maintained.

Capital requirement of NSE IFSC Limited is regulated by International Financial Services Centres Authority. As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 issued by International Financial Services Centres Authority on April 12, 2021, every permitted stock exchange is required to maintain the minimum networth of USD 3 million at all times. NSE IFSC Limited is in compliance of the same except for the quarter ending December 31, 2022. (Refer note 41 (d))

Capital requirement of NSE IFSC Clearing Corporation Limited is regulated by International Financial Services Centres Authority. As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 issued by International Financial Services Centres Authority on April 12, 2021, the company is required to maintain the minimum networth of USD 3 million at all times. NSE IFSC Clearing Corporation Limited is in compliance of the same.

The parent company and its subsidiaries are in compliance with the above requirements as at March 31, 2023 and March 31, 2022 respectively.

### F CONCENTRATION RISK

The Group does not have any single customer / supplier which constitute more than 10% of the total trade receivables / trade payables balance as at March 31, 2023 and March 31, 2022.

### FAIR VALUE MEASUREMENTS

#### Financial Instruments by category

(₹ in Crores)

Particulars	31-03-2023			31-03-2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instruments	-	123.54	-	-	131.58	-
Taxable Bonds	-	-	1,019.42	-	-	780.23
Taxfree Bonds	-	-	589.52	-	-	715.58
Certificate of Deposits with banks	-	-	3,828.95	-	-	762.42
Commercial Papers	-	-	99.09	-	-	-
Fixed Deposits with Banks	-	-	3,557.07	-	-	3,468.32
Deposits with financial institutions	-	-	-	-	-	115.38
Government Securities	-	2,850.17	4,012.57	-	1,831.74	181.38
Mutual Funds	2,523.27	-	-	2,701.40	-	-
Trade receivables	-	-	1,589.21	-	-	1,614.95
Cash and Cash equivalents including restricted balances with banks	-	-	6,165.08	-	-	12,532.35
Security deposits	-	-	9.84	-	-	11.64
Other receivables	-	-	8.03	-	-	13.83
<b>Total financial assets</b>	<b>2,523.27</b>	<b>2,973.71</b>	<b>20,878.78</b>	<b>2,701.40</b>	<b>1,963.32</b>	<b>20,196.07</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### Financial Instruments by category

(₹ in Crores)

Particulars	31-03-2023			31-03-2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial liabilities</b>						
Trade payables	-	-	262.16	-	-	349.21
Deposits	-	-	2,886.61	-	-	2,328.90
Redemption liability	-	-	-	181.29	-	-
Other liabilities	-	-	4,613.75	-	-	9,360.28
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,762.52</b>	<b>181.29</b>	<b>-</b>	<b>12,038.39</b>

### G FAIR VALUE MEASUREMENTS

#### (i) Fair Value hierarchy and valuation technique used to determine fair value :

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial Assets and Financial Liabilities measured at Fair Value - recurring fair value measurements at 31.03.2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<i>Financial Investments at FVPL</i>					
Mutual Fund - Growth Plan	4 & 9	8,329.01	-	-	8,329.01
<i>Financial Investments at FVOCI</i>					
Debt Instrument at FVOCI - Government Securities	4 & 9	-	2,850.17	-	2,850.17
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd	4	-	-	112.78	112.78
Unquoted Equity Investments - Open Network for digital Commerce	4	-	-	10.00	10.00
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.76	-	-	0.76
<b>Total Financial Assets</b>		<b>8,329.77</b>	<b>2,850.17</b>	<b>122.78</b>	<b>11,302.72</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

(₹ in Crores)

Financial Assets and Financial Liabilities measured at Fair Value - recurring fair value measurements at 31.03.2022	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	4 & 9	9,213.36	-	-	9,213.36
Mutual Fund - Fixed Maturity Plan	9	-	3.39	-	3.39
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4 & 9	-	1,831.74	-	1,831.74
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd	4	-	-	119.87	119.87
Unquoted Equity Investments - Open Network for digital Commerce	4	-	-	10.00	10.00
Unquoted Equity Investments - Goods and Service Tax Network	4	-	-	1.00	1.00
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.71	-	-	0.71
<b>Total Financial Assets</b>		<b>9,214.07</b>	<b>1,835.13</b>	<b>130.87</b>	<b>11,180.08</b>
<b>Financial liabilities</b>					
<b>Redemption liability</b>	13b	-	-	<b>181.29</b>	<b>181.29</b>
<b>Total Financial liabilities</b>		-	-	<b>181.29</b>	<b>181.29</b>

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

**- Level 1:**

This includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges are valued using the closing price as at the end of the reporting period. Listed Mutual Funds are valued using the closing quoted NAV.

**- Level 2:**

The fair value of financial instruments that are not traded in an active market for example, government securities is determined using Financial Benchmarks India Private Limited valuation techniques which maximise the use of observable market data, fixed maturity plan based on NAV declared by the funds and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**- Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

- There were no transfers between levels during the year ended March 31, 2023 and March 31, 2022.

**ii) Valuation technique used to determine fair value :**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments

## Notes to consolidated financial statements for the year ended March 31, 2023

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple as applicable.

### (iii) Fair value measurements using significant unobservable inputs (level 3)

- The following table presents the changes in level 3 items for the periods ended 31 March, 2023 and 31 March, 2022:

(₹ in Crores)

Particulars	Unlisted Equity security
As at 31 March 2021	66.65
Gains (losses) recognised in Other Comprehensive Income	(6.33)
As at 31 March 2022	60.32
Gains (losses) recognised in Other Comprehensive Income	(7.09)
As at 31 March 2023	53.23

### (iv) Valuation inputs and relationships to fair value :

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted

Particulars	Fair Value	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31.03.2023	31.03.2022		31.03.2023	31.03.2022
Unquoted Equity Shares - NCDEX	112.78	119.87	P/B Multiple	5.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.0x	2.0x
			Liquidity Discount	20%	20%
			Applicable P/B Multiple	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹ in Crores)	469.92	499.45
			Equity valuation of NCDEX (₹ in Crores)	751.87	799.12
			Valuation of 15% stake (₹ in Crores)	112.78	119.87

\* There were no significant inter relationship between unobservable inputs that materially affect fair value

### (v) Valuation processes :

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods.

### (vi) Fair value of financial assets and liabilities measured at amortised cost :

(₹ in Crores)

	Notes	31.03.2023		31.03.2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>					
Taxable Bonds	4	1,019.42	996.02	780.23	788.01
Taxfree Bonds	4 & 9	589.52	623.68	715.58	779.77
Certificate of deposits with banks	12	3,828.95	3,827.22	762.42	765.71
Government securities	4 & 9	4,012.57	3,995.28	181.38	181.40
Fixed Deposits with Banks	5, 6 & 12	3,557.07	3,482.39	3,468.32	3,482.39
Commercial Paper	9	99.09	98.99	-	-
Deposits with financial institutions	6	-	-	115.38	115.52
Security Deposits	5 & 6	9.84	11.64	11.64	11.64
<b>Total Financial Assets</b>		<b>13,116.46</b>	<b>13,035.22</b>	<b>6,034.95</b>	<b>6,124.44</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

- The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including settlement obligation payable, deposits, creditors for capital expenditure, etc. are considered to be approximate as their fair values, due to current and short term nature of such balances.
- The fair value of taxable bonds, taxfree bonds, certificate of deposit with banks, government securities, commercial paper, fixed deposits, deposits with financial institutions and security deposit are based on discounted cash flow.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

- 41** a) IFSC Authority vide its circular dated March 31, 2022, has issued guidelines for Liquidity Enhancement Scheme and IFSC Authority has advised exchanges to create a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme and the same would not be included in the networth calculation of the exchange.

During the current year, NSE IFSC Limited has credited amount equivalent to ₹13.32 crores (Previous Year : ₹10.78 crores) to LES Incentive reserve and ₹13.32 crores (Previous Year : ₹10.78 crores) was spent as incentive paid/payable to the trading members leaving a balance of ₹1 crore (Previous Year : ₹1 crore) in LES Incentive reserve as at March 31, 2023. Based on the past trend, the management is of the view that the balance in LES reserve as at March 31, 2023 is sufficient to meet the LES incentive payout for the following month.

- b) NSE IFSC LTD. in GIFT IFSC has set aside USD 15,000 (₹0.11 crores) in a separate bank account as amount earmarked for Investor Protection Fund. Further, the penalty levied and collected by NSE IFSC LTD of ₹0.08 crores from its members has also been kept in a separate bank account.
- c) During the FY 2020-21, 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 Limited on March 28, 2022 has entered into an operational agreement with SGX India Connect IFSC Private Limited, Singapore Exchange Derivatives Clearing Limited and NSE IFSC Clearing Corporation Limited to operationalise the NSE IFSC-SGX Connect. NSE IFSC-SGX Connect has introduced trading of Negotiable Large Trades (NLT) from Singapore Exchange (SGX Group) with effect from May 16, 2022 and launched the NSE IFSC-SGX Connect on July 29, 2022. NSE IFSC Limited as per the terms of said agreements inter alia will be sharing the costs pertaining to Connect Infrastructure of NSE IFSC - SGX Connect. NSE IFSC Limited basis the details received from SGX has provisionally accounted for amount of ₹35.57 Crores, which will be paid by NSE IFSC Limited to SGX post the due diligence and verification of various documents submitted by SGX / sought from SGX.
- d) International Financial Services Authority (Market Infrastructure Institutions) Regulations, 2021 has prescribed a net worth criteria of at least USD 3 million, at all times, for stock exchanges operating in International Financial Services Centre (IFSC). As at December 31, 2022, the net worth of NSE IFSC was USD 1.24 million, which was below the prescribed limit. In this direction NSE IFSC has raised additional funds amounting to ~ USD 6.04 million (equivalent to ₹50 crores) from NSE post all regulatory approvals and accordingly, the net worth requirement was compiled on February 18, 2023.

- 42** In the opinion of the Board, current assets and advances are approximately of the value stated and to be realised in the ordinary course of business.

## Notes to consolidated financial statements for the year ended March 31, 2023

- 43** (a) Gross amount required to be spent by the Group on Corporate Social Responsibility activities for the year ended March 31, 2023 is ₹87.40 crores. (Previous year: ₹67.34 crores)
- (b) Disclosures in relation to corporate social responsibility expenditure:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
	In cash	In cash
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above incurred by NSE Foundation towards CSR	48.22	67.34
(iii) Contribution to Unspent CSR account (Refer note 12.2)	39.18	-

### Details of ongoing CSR projects under section 135(6) of the Act

Balance as at April 1, 2022

(₹ in Crores)

With the Company	In separate CSR unspent account	Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
			From the Company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account
-	-	87.40	48.22	-	-	39.18

### Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

(₹ in Crores)

Balance unspent as at April 1, 2022	Amount deposited in specified schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	-	-	-

### Details of excess CSR expenditure under Section 135(5) of the Act

(₹ in Crores)

Balance excess spent as at April 1, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023
-	-	-	-

**Nature of CSR Activities:** NSE Foundation, a group company undertakes the following CSR activities which includes, Primary Education, Sanitation and Safe Drinking Water, Elder Care, Skill Development And Entrepreneurship, Environment Sustainability, Health and Nutrition, Disaster Relief and Rehabilitation, Incubation, Environmental Sustainability.

The Group has transferred the unspent CSR amount to a separate bank account (Refer note 12.2)

- 44** During the financial year ended March 31, 2019, the Parent company NSE decided to co-opt the technology function internally and decided to absorb all the employees of NSE Infotech Limited (NSETECH) within NSE. Accordingly, effective 1st June 2018, all the employees of NSETECH were transferred to NSE. Pursuant to the transfer, the core operations of NSETECH in the nature of IT management and support services to NSE and its Group Companies ceased to exist. Accordingly, effective 1st June 2018 there was no revenue generated from the operations by NSETECH. In view of the same it is not practical for NSETECH to prepare its financial statements on a going concern basis. The total assets of NSETECH as at March 31, 2023 is ₹0.34 crores (Previous Year ₹0.99 crores), which are at realisable value and other income for the year ending March 31, 2023 is ₹0.02 crores (Previous Year ₹0.10 crores) which is not material to the consolidated financial statement of the Group.

## Notes to consolidated financial statements for the year ended March 31, 2023

### 45 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in Crores)

	Effects of offsetting on the balance			Related amount not offset	
	Gross Amount	Gross Amt Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument collateral*
<b>31.03.2023</b>					
<b>Financial Assets</b>					
Trade Receivables	1,452.71	-	1,452.71	-	967.71
<b>31.03.2022</b>					
<b>Financial Assets</b>					
Trade Receivables	1,294.87	-	1,294.87	-	957.99

\*The collateral includes deposits from trading members.

### 46 BUSINESS COMBINATION

#### 46.1 Calculation of Goodwill

(₹ in Crores)

Particulars	31.03.2023	31.03.2023	31.03.2022	31.03.2022
<b>Opening Goodwill (A)</b>		<b>410.89</b>		<b>395.93</b>
Less : Goodwill transferred to Assets held for Sale (Refer note 53)				
TalentSprint Private Limited	(125.74)		-	
CXIO Technologies Private Limited	(12.35)		-	
Aujas Cybersecurity Limited	(65.25)	(203.34)	-	-
<b>TalentSprint Private Limited</b>				
Consideration paid			18.00	
Non Controlling Interest acquired			4.61	
Less :- Net Identifiable Assets acquired			(11.53)	11.08
<b>Other changes</b>		(0.69)		3.88
<b>Closing Goodwill</b>	-	<b>206.86</b>	-	<b>410.89</b>

46.2 NSE Academy Limited, a subsidiary (“Subsidiary”) of NSE Investments Limited on September 30, 2020, had entered into a Share Purchase and Shareholder’s Agreement (“SPSHA”) for acquisition of 100% Shares of TalentSprint Private Limited (“TalentSprint”), in a phased manner over a period of 3-4 years of which 70% of stake was purchased on November 10, 2020. Accordingly during the previous year, the subsidiary had accounted for redemption liability of ₹90.48 crores towards acquisition cost of remaining 30% stake based achievement of Revenue and EBIDTA targets by TalentSprint as per SPSHA. During the current year, the same has been reclassified to liabilities directly associated with assets classified as held for sale. (Refer Note 53).

46.3 NSEIT Limited, a subsidiary (Subsidiary) of NSE Investments Limited, on June 28, 2021, had entered into a Share Purchase and Shareholder’s Agreement (“SPSHA”) for acquisition of 100% Shares of CXIO Technologies Private Limited (“CXIO”), in a multiple tranches of which 60% of stake was acquired on July 8, 2021. Accordingly during the previous year, the subsidiary had accounted for redemption liability of ₹90.82 crores towards acquisition cost of remaining 40% stake based on the financial performance of CXIO as per SPSHA. During the current year, the same has been reclassified to liabilities directly associated with assets classified as held for sale. (Refer Note 53).

## Notes to consolidated financial statements for the year ended March 31, 2023

### 47 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent Company</b>								
<b>National Stock Exchange of India Limited</b>								
31st March, 2023	75.54%	15,470.83	98.50%	7,245.45	140.06%	(25.28)	98.40%	7,220.17
31st March, 2022	67.34%	10,382.99	95.47%	4,962.61	119.19%	(17.30)	95.40%	4,945.31
<b>Subsidiaries (group's share)</b>								
<b>NSE Clearing Limited</b>								
31st March, 2023	5.62%	1,150.18	-0.07%	(5.38)	1.00%	(0.18)	-0.08%	(5.56)
31st March, 2022	6.46%	996.74	2.14%	111.07	-0.82%	0.12	2.14%	111.19
<b>NSE Indices Limited</b>								
31st March, 2023	2.59%	531.14	1.14%	83.76	1.05%	(0.19)	1.14%	83.57
31st March, 2022	2.47%	380.81	1.33%	69.20	0.08%	(0.01)	1.33%	69.18
<b>NSE Data &amp; Analytics Limited</b>								
31st March, 2023	2.00%	410.01	1.91%	140.60	0.17%	(0.03)	1.92%	140.57
31st March, 2022	2.16%	332.33	2.15%	111.75	-0.02%	0.00	2.16%	111.75
<b>NSE Infotech Services Limited</b>								
31st March, 2023	0.00%	0.32	0.00%	-	0.00%	-	0.00%	-
31st March, 2022	0.01%	0.93	0.00%	-	0.00%	-	0.00%	-
<b>NSEIT Limited</b>								
31st March, 2023	0.99%	202.15	-2.12%	(156.22)	9.75%	(1.76)	-2.15%	(157.98)
31st March, 2022	1.15%	177.38	-2.51%	(130.67)	4.60%	(0.67)	-2.53%	(131.34)
<b>NSE Academy Limited</b>								
31st March, 2023	0.41%	83.40	0.19%	14.06	-1.00%	0.18	0.19%	14.24
31st March, 2022	0.32%	49.46	0.09%	4.42	0.25%	(0.04)	0.08%	4.39
<b>NSE Investment Limited</b>								
31st March, 2023	8.60%	1,762.12	1.28%	94.50	0.00%	-	1.29%	94.50
31st March, 2022	14.93%	2,302.47	1.83%	94.90	0.00%	-	1.83%	94.90
<b>NSE IFSC Limited</b>								
31st March, 2023	0.17%	34.90	-1.11%	(81.92)	-23.71%	4.28	-1.06%	(77.64)
31st March, 2022	0.46%	71.42	-0.80%	(41.68)	-10.92%	1.59	-0.77%	(40.09)
<b>NSE IFSC Clearing Corporation Limited</b>								
31st March, 2023	0.19%	39.72	-0.07%	(5.39)	-19.61%	3.54	-0.03%	(1.85)
31st March, 2022	0.30%	46.24	-0.18%	(9.20)	-10.19%	1.48	-0.15%	(7.72)
<b>NSE Foundation</b>								
31st March, 2023	0.13%	26.37	-0.72%	(52.64)	0.00%	-	-0.72%	(52.64)
31st March, 2022	0.17%	26.81	-1.28%	(66.38)	0.00%	-	-1.28%	(66.38)

## Notes to consolidated financial statements for the year ended March 31, 2023

### 47 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Aujas Cybersecurity Limited</b>								
31st March, 2023	0.15%	29.91	-0.30%	(22.09)	2.05%	(0.37)	-0.31%	(22.46)
31st March, 2022	0.17%	26.96	-0.28%	(14.66)	1.70%	(0.25)	-0.29%	(14.91)
<b>Cogencis Information Services Limited</b>								
31st March, 2023	0.20%	40.67	0.19%	14.29	0.61%	(0.11)	0.19%	14.18
31st March, 2022	0.16%	25.40	0.29%	15.22	0.48%	(0.07)	0.29%	15.15
<b>TalentSprint Private Limited</b>								
31st March, 2023	0.05%	11.26	-0.05%	(3.92)	0.55%	(0.10)	-0.05%	(4.02)
31st March, 2022	0.06%	9.91	-0.03%	(1.38)	0.65%	(0.09)	-0.03%	(1.48)
<b>CXIO Technologies Private Limited</b>								
31st March, 2023	0.15%	30.96	0.05%	3.66	0.44%	(0.08)	0.05%	3.58
31st March, 2022	0.10%	14.73	0.05%	2.72	0.32%	(0.05)	0.05%	2.67
<b>Foreign Subsidiaries</b>								
<b>NSE.IT (US) Inc.</b>								
31st March, 2023	0.01%	2.96	0.23%	17.18	-0.72%	0.13	0.24%	17.31
31st March, 2022	0.00%	0.70	0.28%	14.46	-1.44%	0.21	0.28%	14.68
<b>TalentSprint INC</b>								
31st March, 2023	0.01%	2.13	0.00%	0.26	0.72%	(0.13)	0.00%	0.13
31st March, 2022	0.01%	1.48	0.04%	1.90	-0.34%	0.05	0.04%	1.95
<b>Non-Controlling Interest in all subsidiaries</b>								
31st March, 2023	0.01%	1.91	0.02%	1.18	0.06%	(0.01)	0.02%	1.17
31st March, 2022	0.05%	7.85	0.06%	3.32	0.24%	(0.03)	0.06%	3.29
<b>Associates (Investment as per equity method)</b>								
<b>National Securities Depository Limited</b>								
31st March, 2023	1.58%	322.92	0.59%	43.22	-2.83%	0.51	0.60%	43.73
31st March, 2022	1.76%	270.89	0.82%	42.74	4.55%	(0.66)	0.81%	42.08
<b>Protean e-Governance Technologies Limited</b>								
31st March, 2023	1.27%	260.08	0.31%	23.09	1.16%	(0.21)	0.31%	22.88
31st March, 2022	1.58%	242.90	0.56%	29.08	-4.68%	0.68	0.57%	29.75

## Notes to consolidated financial statements for the year ended March 31, 2023

### 47 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Crores)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Receivables Exchange Of India Limited</b>								
31st March, 2023	0.05%	9.88	0.03%	1.97	0.00%	-	0.03%	1.97
31st March, 2022	0.05%	7.23	0.00%	(0.10)	-0.14%	0.02	0.00%	(0.07)
<b>Indian Gas Exchange Limited</b>								
31st March, 2023	0.13%	26.72	0.07%	5.33	-0.06%	0.01	0.07%	5.34
31st March, 2022	0.13%	19.58	0.01%	0.35	-0.07%	0.01	0.01%	0.36
<b>Capital Quant Solutions Private Limited</b>								
31st March, 2023	0.01%	2.85	0.00%	(0.15)	0.00%	-	0.00%	(0.15)
31st March, 2022	0.02%	2.99	0.00%	0.01	0.00%	-	0.00%	0.01
<b>BFSI Skill Sector Council of India</b>								
31st March, 2023	0.00%	1.00	0.00%	-	0.00%	-	0.00%	-
31st March, 2022	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
<b>India International Bullion Holding IFSC Limited</b>								
31st March, 2023	0.13%	25.99	-0.07%	(4.85)	-9.70%	1.75	-0.04%	(3.10)
31st March, 2022	0.12%	19.09	-0.03%	(1.40)	-3.43%	0.50	-0.02%	(0.90)
<b>Joint Venture (Investment as per equity method)</b>								
<b>Market Simplified India Limited</b>								
31st March, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Adjustment arising out of consolidation</b>								
31st March, 2023	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>								
<b>31st March, 2023</b>	<b>100.00%</b>	<b>20,480.38</b>	<b>100.00%</b>	<b>7,355.99</b>	<b>100.00%</b>	<b>(18.05)</b>	<b>100.00%</b>	<b>7,337.94</b>
<b>31st March, 2022</b>	<b>100.00%</b>	<b>15,418.28</b>	<b>100.00%</b>	<b>5,198.29</b>	<b>100.00%</b>	<b>(14.52)</b>	<b>100.00%</b>	<b>5,183.77</b>

## Notes to consolidated financial statements for the year ended March 31, 2023

### 48 Other events after the reporting period

a) Dividend:

The Board of Directors have recommended the payment of final dividend of ₹80 per fully paid equity shares (FV ₹1 each) (March 31, 2022: ₹42 per fully paid equity share (FV ₹1 each). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹3,960 Crores.

b) The Board of Directors have decided to appropriate an amount of ₹6,583 crores from retained earnings to a separate reserve within equity towards adequate risk capital management.

**49** NSE has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of a registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI comprehensively reviewed the existing framework and decided to augment IPF corpus to be ₹1,500 crores. The Company recognises a provision for contribution payable to IPF, which is estimated by assessing maximum amount which can be paid to the individual claimant as per the extent regulations. As on March 31, 2023, the corpus with the IPF was ₹1,596.76 crores. During the previous year, the Company had made payment of ₹118.20 crores and created provision of ₹32.25 crores aggregating ₹150.45 crores recognised as an expense. During the current year, the Company has assessed the adequacy of the IPF corpus vis a vis expected claims payable and has accordingly reversed the excess provision of ₹32.25 crores in the Consolidated statement of Profit and Loss.

**50** In accordance with the relevant provisions of the Companies Act, 2013, the Group has long term contracts as of March 31, 2023, and March 31, 2022, for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2023 and March 31, 2022.

**51** For the year ended March 31, 2023, and March 31, 2022, the Group is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

**52** During the previous year, NSE Clearing Limited (NCL) a subsidiary of NSE has terminated a contract pertaining to clearing and settlement system and an amount of ₹83.86 crores was received towards the same. Accordingly, provision for impairment of intangible asset under development pertaining to the said contract made in the earlier years amounting to ₹68.23 crores has been reversed and the balance amount of ₹15.63 crores is treated as settlement compensation and disclosed as an exceptional item.

**53 a) Discontinued Operation, Assets held for sale and liabilities directly associated with assets classified as held for sale**

NSE Investments Limited vide its Board meeting held on February 1, 2023, has in-principle approved sale / divestment of Education Business and Technology Business. Pending required regulatory approval, the management has classified the business operations of Education Business and Technology Business as discontinued operations as they meet the conditions as prescribed under Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Details of discontinued operations, Assets held for sale and liabilities directly associated with assets classified as held for sale is given below. Education Business is held through NSE Academy Limited, Talentsprint Private Limited & TalentSprint Inc. and Technology Business is held through NSEIT Limited, NSEIT (US) Inc., Aujas Cybersecurity Limited and CXIO Technologies Private Limited.

## Notes to consolidated financial statements for the year ended March 31, 2023

### b) Financial performance and cash flow information of Discontinued Operation

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Revenue of Technology Business	722.07	530.63
Revenue of Education Business	139.59	95.04
<b>Total Revenue of Discontinued Operations</b>	<b>861.66</b>	<b>625.67</b>
Expenses of Technology Business	859.73	657.86
Expenses of Education Business	129.90	92.23
<b>Total Expenses of Discontinued Operations</b>	<b>989.63</b>	<b>750.09</b>
<b>(Loss) before exceptional item and tax from Discontinued Operations</b>	<b>(127.97)</b>	<b>(124.42)</b>
Add : Exceptional Item	-	5.47
<b>(Loss) before tax from Discontinued Operations</b>	<b>(127.97)</b>	<b>(118.95)</b>
Less : Income Tax expense	(17.92)	(15.66)
<b>(Loss) after tax from Discontinued Operations (A)</b>	<b>(145.89)</b>	<b>(134.61)</b>
<b>Other comprehensive income / (loss) for the year, net of taxes from discontinued operations</b>		
<i>Items that will be reclassified to profit or loss</i>		
Changes in foreign currency translation reserve	0.26	0.26
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of post-employment benefit obligations	(3.20)	(1.49)
<i>Income tax relating to items that will not be reclassified to profit or loss</i>		
Remeasurements of post-employment benefit obligations	0.80	0.38
<b>Total other comprehensive income / (loss) for the year, net of taxes from discontinued operations (B)</b>	<b>(2.14)</b>	<b>(0.85)</b>
<b>Total comprehensive income / (loss) for the year from discontinued operations (A+B)</b>	<b>(148.03)</b>	<b>(135.46)</b>
Net cash inflow from operating activities	26.47	
Net cash inflow from investing activities	4.51	
Net cash (outflow) from financing activities	(20.63)	
<b>Net increase in cash generated from discontinued operation</b>	<b>10.35</b>	

## Notes to consolidated financial statements for the year ended March 31, 2023

### c) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at 31 March 2023 :

(₹ in Crores)

Assets classified as held for sale	Technology Business	Education Business	Total
Property, plant & equipment ,Other intangible assets and Right of use asset	40.61	1.22	41.83
Goodwill	77.60	125.74	203.34
Other Non Current assets	1.89	0.02	1.91
Non Current Financial assets	6.30	0.63	6.93
Deferred Tax Asset (Net)	14.00	0.27	14.27
Income tax assets (Net)	53.04	4.29	57.33
Current Financial assets	161.86	19.27	181.13
Cash and cash equivalents	51.16	25.98	77.14
Bank balances other than Cash and cash equivalents mentioned above	46.87	0.15	47.02
Other assets	83.97	71.34	155.31
<b>Total (A)</b>	<b>537.30</b>	<b>248.91</b>	<b>786.21</b>
<b>Liabilities directly associated with assets classified as held for sale</b>			
Non-current Financial liabilities	20.16	34.87	55.03
Non-current Provisions	6.55	0.79	7.34
Non-current Other liabilities	0.29	-	0.29
Current Financial liabilities	130.96	29.94	160.90
Current Provisions	25.99	1.98	27.97
Income tax liabilities (net)	0.64	1.72	2.36
Other current liabilities	84.15	83.50	167.65
<b>Total (B)</b>	<b>268.74</b>	<b>152.80</b>	<b>421.54</b>
<b>Net Assets (A-B)</b>	<b>268.56</b>	<b>96.11</b>	<b>364.67</b>

### 54 Additional Regulatory Information required by Schedule III

#### (i) Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### (ii) Wilful Defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### (iii) Relationship with struck off Companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### (iv) Compliance with number of layer of Companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

#### (v) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

## Notes to consolidated financial statements for the year ended March 31, 2023

### (vi) Utilisation of Borrowed funds and Share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The group has not received any fund from any party (Funding Party) with the understanding that the group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### (vii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (viii) Loans or advances to specified persons

The Group has not granted any loans or advances to promoters, directors, KMP's and related parties either severally or jointly with any other person, that are:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

### (ix) Details of cypto currency of virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

### (x) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

### (xi) Core Investment Company (CIC)

The Group has one subsidiary company namely NSE Investments Limited which is a deemed CIC and is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.

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

Chartered Accountants

Firm's Registration no : 304026E / E-300009

#### Sumit Seth

Partner

Membership No.: 105869

Place : San Diego, United States of America

Date : May 15, 2023

#### Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

#### Yatrik Vin

Group CFO & Head Corporate Affairs

#### For and on behalf of the Board of Directors

#### K. Narasimha Murthy

Director

[DIN: 00023046]

#### Ashishkumar Chauhan

Managing Director & CEO

[DIN: 00898469]

#### Rohit Gupte

Company Secretary

## FORM AOC - 1

### Statement containing salient features of the financial statement of subsidiaries/joint ventures Form AOC 1 (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A" Subsidiaries

Name of Subsidiary	(₹ in Crores)															
	NSE Clearing Limited (Formerly known as National Securities Clearing Corporation Limited)	NSE Investments Limited (Formerly known as NSE Strategic Investments Limited)	NSE IFSC Limited	NSE Data & Analytics Limited (Formerly known as Dorex International Limited)	NSE Indices Limited (Formerly known as India Index Services & Products Limited)	NSE IT Ltd (Note 1)	NSE Academy Limited (Note 1)	NSE Infotech Services Ltd (Note 1)	NSEIT (US) Inc. (Note 2)	NSE IFSC Clearing Corporation Limited (Note 3)	NSE Foundation (Note 4)	Aujas Cybersecurity Limited (Formerly known as Aujas Networks Limited and Aujas Networks Private Limited)	TalentSprint Private Limited (Note 6)	Cogencis Information Services Limited (Note 7)	CXIO Technologies Private Limited (Note 8)	TalentSprint Inc. (Note 9)
The date since when subsidiary was acquired	31-Aug-95	31-Jan-13	29-Nov-16	02-Jun-00	02-Aug-06	29-Oct-99	12-Mar-16	02-Aug-06	04-Dec-06	02-Dec-16	05-Mar-18	22-Mar-19	10-Nov-20	21-Jan-21	08-Jul-21	29-Nov-21
Reporting date	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
Share Capital	45.00	825.99	300.00	9.00	1.30	10.00	10.00	10.00	0.05	5.34	90.00	0.05	0.97	5.13	0.31	0.38
Reserves and Surplus	1,239.44	1,750.12	-270.46	400.31	485.02	166.79	-20.86	0.27	-2.37	-56.70	25.79	2.80	-5.72	35.71	30.65	1.23
Total Assets	12,562.97	2,583.15	133.68	446.32	512.83	503.93	195.99	0.34	11.59	69.18	30.13	120.45	77.41	55.51	80.18	17.20
Total Liabilities	12,562.97	2,583.15	133.68	446.32	512.83	503.93	195.99	0.34	11.59	69.18	30.13	120.45	77.41	55.51	80.18	17.20
Investments	5,682.30	2,079.37	-	199.38	415.15	190.17	11.81	0.28	-	14.17	-	0.38	0.38	19.30	-	-
Turnover	1,014.66	293.91	1.92	219.72	330.08	248.20	39.66	0.02	18.86	0.86	50.40	292.94	92.26	78.80	171.23	5.87
Profit before Taxation	731.37	278.85	-95.51	137.15	311.51	-1.91	-8.34	-0.04	2.26	-15.75	-4.57	6.75	-4.00	21.12	21.93	1.47
Provision for Taxation	186.11	-0.82	-	-34.73	-79.18	-5.73	-0.63	-0.04	-0.12	-	-	-5.79	0.08	-5.34	-5.61	-0.42
Profit after Taxation	545.26	279.66	-95.51	102.42	232.33	-7.64	-8.97	-	2.14	-15.75	-4.57	0.96	-3.92	15.77	16.32	1.05
Proposed Dividend	22.50	-	-	92.16	208.91	1,049.00	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	80.82%	100%	92.50%	80.82%

#### Notes:-

- NSE Data & Analytics Limited, NSE Indices Limited, NSEIT Limited, NSE Infotech Services Limited and NSE Academy Limited are wholly owned subsidiaries of NSE Investments Limited.
- NSEIT (US) INC is a wholly owned subsidiary of NSEIT LTD. The reporting currency of the company is USD. The financial information of NSEIT (US) INC. have been translated into INR at the closing rate at March 31, 2023
- NSE IFSC Clearing Corporation Limited is a wholly owned subsidiary of NSE Clearing Limited.
- NSE Foundation is incorporated under Section 8 of Companies Act, 2013.
- Aujas Cybersecurity Limited is a wholly owned subsidiary of NSEIT Limited.
- TalentSprint Private Limited is a subsidiary of NSE Academy Limited.
- Cogencis Information Services Limited is a wholly owned subsidiary of NSE Data & Analytics Limited.
- CXIO Technologies Private Limited is a subsidiary of NSEIT Limited.
- TalentSprint Inc. is a wholly owned subsidiary of TalentSprint Private Limited. The reporting currency of the company is USD. The financial information of TalentSprint Inc. have been translated into INR at the closing rate at March 31, 2023.

### Part “B” Associates/Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	National Securities Depository Limited	Protean eGov Technologies Ltd. (formerly known as NSDL e-Governance Infrastructure Limited)	Market Simplified India Limited	Power Exchange India Limited	Receivables Exchange India Limited	BFSI Sector Skill Council of India	Capital Quant Solutions Private Limited	Indian Gas Exchange Limited	India International Bullion Holding IFSC Limited
Latest audited Balance Sheet Date	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2023
Date on which the Associate or Joint Venture was associated or acquired	15-Feb-10	15-Feb-10	30-Nov-11	20-Feb-08	25-Feb-16	16-Sep-11	26-Feb-21	16-Mar-21	04-Jun-21
Share of Associate held by the group at the above mentioned reporting date									
Number of Equity Shares	96,00,000	1,00,18,000	45,05,175	2,00,00,030	1,50,00,000	1,00,00,000	12,410	1,92,07,500	20,00,00,000
Amount of Investment in Associates	58.92	55.10	4.51	20.05	15.00	1.00	3.00	19.21	20.00
Extend of Holding %	24.00%	25.05%	30.00%	34.21%	30.00%	49.00%	17.00%	25.61%	20.00%
Description of how there is significant influence	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 2	Note 1	Note 1
Reason why the associate is not consolidated	NA	NA	NA	NA	NA	Note 3	NA	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	290.79	197.56	5.89	14.65	7.16	2.65	0.65	16.73	25.98
Profit/Loss for the year									
i. Considered in Consolidation	56.32	27.41	-	-	2.64	-	(0.15)	7.13	(4.85)
ii. Not considered in Consolidation	-	-	-	-	-	-	-	-	-

#### Notes:-

- The group has significant influence through holding more than 20.00% of the equity shares in the investee company in terms of Indian Accounting Standard (Ind AS) 28, Investments in Associates and Joint Ventures.
- The group has significant influence through Management rights in the investee company in terms of Indian Accounting Standard (Ind AS) 28 - Investments in Associates and Joint Ventures.
- BFSI Sector Skill Council of India is a company incorporated under section 8 of Companies Act, 2013, and has set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Therefore the same is not considered while consolidation.

#### For and on behalf of the Board of Directors

**Girish Chandra Chaturvedi**  
Chairman  
[DIN: 00110996]

**K. Narasimha Murthy**  
Director  
[DIN: 00023046]

**Ashishkumar Chauhan**  
Managing Director & CEO  
[DIN: 00898469]

**Place : Mumbai**  
Date : May 15, 2023

**Yatrik Vin**  
Group CFO & Head Corporate Affairs

**Rohit Gupte**  
Company Secretary

# Standalone Financial Statement



## Independent Auditor's Report

To the Members of

National Stock Exchange of India Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of National Stock Exchange of India Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

4. We draw your attention to Note 31(i)(a) to the standalone financial statements, relating to the matters with the Securities and Exchange Board of India ("SEBI"). SEBI issued orders on April 30, 2019, wherein disgorgement/demand aggregating ₹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 ₹1 crore each for the Colocation facility matter and the Governance matter, and ₹7 Crores for the Dark Fiber point to point connectivity matter ("the Adjudication Orders"). The Company had deposited ₹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 ₹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 and other lapses in compliance. The Company has recognised such penalty amount of ₹100 crores which is included in other expenses in the standalone financial statements during the year ended March 31, 2023. In this regard, SEBI filed an appeal before the Hon'ble Supreme Court, which has directed SEBI to refund ₹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 ₹300 crores to SEBI. The Dark Fiber point to point connectivity, Governance related matters and the Adjudication 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, no provision for any liability (other than penalty amount of ₹100 crores as mentioned above) has been recognised towards the above

matters in the standalone financial statements, which continue to be disclosed as contingent liability in Note 31 to the standalone financial statements. Our opinion is not modified in respect of these matters.

### Key audit matters

5. Key audit matters are those matters that, in our professional

judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><u>Assessment of provisions made and contingent liabilities disclosed with regard to legal, regulatory and tax matters</u> [Refer Note 31 to the standalone financial statements]</p> <p>As of March 31, 2023, the Company has ongoing regulatory proceedings, inspections and inquiries with various regulatory authorities including SEBI (other than that described in the Emphasis of matter paragraph above), ongoing proceedings with tax authorities involving certain direct and indirect tax matters, including disallowance of certain expenses under income tax (uncertain tax positions), applicability of service tax on certain services, case filed by a competitor against the Company pending with Competition Appellate Tribunal and various other ongoing litigations, including claims by its members.</p> <p>The Company has assessed the above pending matters related to litigations, regulatory proceedings, inspections and inquiries and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.</p> <p>This area is considered as a key audit matter, as evaluation of these matters requires Management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outcome of ongoing proceedings and outflow of economic resources, if any, and the recognition of provisions, disclosure of contingent liabilities and related disclosures to be made in the standalone financial statements.</p>	<p>Our audit procedures included the following–</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters.</li> <li>• Obtaining details of litigations in respect of legal, direct and indirect tax matters, SEBI and other regulatory proceedings, inspections, inquiries.</li> <li>• Examining orders and/or communications with regulatory authorities and Management responses and reports thereto.</li> <li>• Inspecting the supporting documents to evaluate Management’s assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements.</li> <li>• Evaluating, along with the auditor’s experts, the status of the direct and indirect tax matters.</li> <li>• Examining expert’s legal advice/opinion obtained by the Company’s Management for evaluating certain legal, regulatory and tax matters.</li> <li>• Evaluating competence and capabilities of the Management’s experts.</li> <li>• Assessing the adequacy of disclosures related to these matters in the standalone financial statements.</li> </ul> <p>Based on our above procedures, the provisions recognised by the Company, and contingent liabilities disclosed with regard to legal, regulatory and tax matters is reasonable.</p>

### Other Information

6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor’s report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial

statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

### **Responsibilities of management and those charged with governance for the standalone financial statements**

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the standalone financial statements**

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive loss), the Standalone Statement of

Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;
  - ii. The Company was not required to recognise a provision as at March 31, 2023, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023 – Refer Note 44 to the standalone financial statements;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023 – Refer Note 45 to the standalone financial statements.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the

- Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41 to the standalone financial statements);
- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 41 to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for the feature of recording of audit trail (edit log) facility in the accounting software used by the Company for maintenance of books of account and related matters, is applicable for the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 is currently not applicable.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Firm Registration Number: 304026E / E- 300009

**Sumit Seth***Partner*

Membership Number 105869

UDIN: 23105869BGYNZK2582

Place: San Diego, United States of America

Date: May 15, 2023

## Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements as of and for the year ended March 31, 2023

### Report on the Internal Financial Controls with reference to standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of National Stock Exchange of India Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

### Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are

recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Firm Registration Number: 304026E / E- 300009

#### **Sumit Seth**

*Partner*

Membership Number 105869

UDIN: 23105869BGYNZK2582

Place: San Diego, United States of America

Date: May 15, 2023

## Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements as of and for the year ended March 31, 2023.

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2 on Property, Plant and Equipment to the standalone financial statements, are held in the name of the Company.
- (d) The Company has chosen the cost model for its Property, Plant and Equipment (including Right of Use assets) and Intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory.
- Therefore, the provisions of clause 3(ii) (a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of ₹5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) During the year, the Company has made investments in companies and stood guarantee (guarantor) to a company, however, it has not granted secured or unsecured loans or advances in nature of loans, or provided security to any company, firm, limited liability partnership or other party. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries are as per the table given below:
- |   | Guarantees                         |
|---|------------------------------------|
| Aggregate amount provided during the year - Subsidiaries        | USD 20 million<br>(₹163.10 crores) |
| Balance outstanding as at the balance sheet date - Subsidiaries | USD 20 million<br>(₹163.10 crores) |
- Also, refer note 31(i)(j) to the standalone financial statements.
- (b) In respect of the aforesaid investments and guarantees, the terms and conditions under which such investments were made and guarantees provided are not prejudicial to the Company's interest.
- (c) The Company has not granted secured or unsecured loans or advances in nature of loans, or provided security to any party. Therefore, the reporting under clauses 3 (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the investments made, and guarantees provided by it.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and services tax, value added tax, securities transaction tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 33 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, goods and service tax and securities transaction tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023, which have not been deposited on account of a dispute, are as follows:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which amount relates (Financial year)	Amount (₹ in Crores)	Forum where dispute is Pending
1.	Income Tax Act, 1961	Income Tax	1995-96 and 1999-20	0.42	High Court, Mumbai
			2013-14 and 2017-18	14.48	Commissioner of Income Tax (Appeal)
			2014-15 to 2016-17	168.71	Income Tax Appellate Tribunal, Mumbai
			2019-20	36.56	Income Tax Appellate Tribunal and Commissioner of Income Tax (Appeal)
2.	Wealth Tax Act, 1957	Wealth Tax	2000-2001	0.11	Income Tax Appellate Tribunal, Mumbai - Wealth Tax Bench
3.	Chapter V of Finance Act, 1994	Service Tax	2004-2005 to 2011-12 and April 2012 to June 2012	75.98	Appeal before Customs, Central Excise and Service Tax Appellate Tribunal, Mumbai
4.	Maharashtra Value Added Tax Act, 2002	Value Added Tax (VAT)	2015-2016	1.94	Appeal filled with Joint Commissioner
5.	Maharashtra Goods and Services Tax Act, 2017	Goods and Services Tax(GST)	2017-18	0.49	Deputy Commissioner of GST

\* ₹15.15 crores, ₹8.18 crores and ₹8.73 crores paid under protest for the F.Y. 2014-15, F.Y. 2015-16 and for F.Y. 2016-17, respectively.

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) As the Company has not raised any funds during the

year, the reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, or associate companies.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT- 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the Management of the Company, the Group has one CIC as part of the Group as detailed in note 41

(xiii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 41 (xv) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of section 135 of the Act to a special account in compliance with the provision of sub-section (6) of section 135 of the Act. (Also refer Note 34 to the standalone financial statements).
- xxi. The reporting under clause 3(xxii) of the Order is not applicable in respect of audit of the Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Firm Registration Number: 304026E / E- 300009

**Sumit Seth**

*Partner*

Membership Number 105869

UDIN: 23105869BGYNZK2582

Place: San Diego, United States of America

Date: May 15, 2023

## Standalone Balance Sheet as at March 31, 2023

(₹ in Crores)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2(a)	765.51	818.27
Right-of-use-assets	2(b)	175.97	138.00
Capital work-in-progress	2(a)	45.94	69.55
Other intangible assets	3	20.49	48.47
Intangible assets under development	3	34.00	52.50
Investment in subsidiaries and associates	4	1,221.67	1,161.67
Financial assets			
- Investments	4	4,135.32	2,590.39
- Other financial assets			
Non-current bank balances	5 (a)	362.43	94.99
Others	5 (b)	19.21	9.59
Income tax assets (net)	18	355.25	339.75
Other non-current assets	6	750.42	1,124.15
<b>Total non-current assets</b>		<b>7,886.21</b>	<b>6,447.33</b>
<b>Current assets</b>			
Financial assets			
- Investments	7	6,054.39	6,745.65
- Trade Receivables	8	1,499.58	1,336.17
- Cash and cash equivalents	9	653.77	102.57
- Bank balances other than cash and cash equivalents	10	4,039.28	1,750.23
- Other financial assets	5(b)	45.82	165.68
Other current assets	6	640.14	174.05
<b>Total current assets</b>		<b>12,932.98</b>	<b>10,274.35</b>
<b>TOTAL ASSETS</b>		<b>20,819.19</b>	<b>16,721.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	11a	49.50	49.50
Other equity	11b	16,626.91	11,498.30
<b>TOTAL EQUITY</b>		<b>16,676.41</b>	<b>11,547.80</b>

## Standalone Balance Sheet (contd...)

(₹ in Crores)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	35	101.93	74.02
Other financial liabilities	13	16.35	15.49
Provisions	15	30.82	32.82
Deferred tax liabilities (net)	16(c)	8.92	12.89
Contract Liabilities	14	69.34	58.11
Other non-current liabilities	19	5.41	5.41
<b>Total non-current liabilities</b>		<b>232.77</b>	<b>198.74</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease Liabilities	35	22.93	8.70
Deposits	20	1,083.44	1,086.18
Trade payables	12		
Total Outstanding dues of micro enterprises and small enterprises		1.30	2.21
Total Outstanding dues of creditors other than micro enterprises and small enterprises		293.54	214.20
Other financial liabilities	13	436.42	542.47
		<b>1,837.63</b>	<b>1,853.76</b>
Contract Liabilities	14	3.86	2.69
Provisions	15	70.25	88.45
Income tax liabilities (net)	17	430.13	228.60
Other current liabilities	19	1,568.14	2,801.64
<b>Total current liabilities</b>		<b>3,910.01</b>	<b>4,975.14</b>
<b>TOTAL LIABILITIES</b>		<b>4,142.78</b>	<b>5,173.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,819.19</b>	<b>16,721.68</b>
Summary of significant accounting policies	1		
The above Balance Sheet should be read in conjunction with the accompanying notes			

This is the Balance Sheet referred to in our report of even date

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

Chartered Accountants

Firm's Registration no : 304026E / E-300009

**For and on behalf of the Board of Directors**

**Sumit Seth**

Partner

Membership No.: 105869

**Girish Chandra Chaturvedi**

Chairman

[DIN: 00110996]

**K. Narasimha Murthy**

Director

[DIN: 00023046]

**Ashishkumar Chauhan**

Managing Director & CEO

[DIN: 00898469]

Place : San Diego, United States of America

Date : May 15, 2023

**Yatrik Vin**

Group CFO & Head Corporate Affairs

**Rohit Gupte**

Company Secretary

## Standalone Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>INCOME</b>			
Revenue from operations	21	11,181.03	7,762.80
Other income	22	1,511.16	621.80
<b>Total income</b>		<b>12,692.19</b>	<b>8,384.60</b>
<b>EXPENSES</b>			
Employee benefits expense	23	280.60	274.28
Clearing & settlement charges		679.69	458.23
Depreciation and amortisation expense	2, 3, 35	302.21	259.72
Other expenses	24	1,773.81	1,288.55
<b>Total expenses</b>		<b>3,036.31</b>	<b>2,280.78</b>
<b>Profit before Contribution to Core Settlement Guarantee Fund &amp; tax</b>		<b>9,655.88</b>	<b>6,103.82</b>
Less: Contribution to Core Settlement Guarantee Fund	43	203.45	-
<b>Profit before tax</b>		<b>9,452.43</b>	<b>6,103.82</b>
Less: Income tax expense			
Current tax	16(b)	2,214.00	1,470.00
Deferred tax	16(b)	5.53	12.71
<b>Total tax expenses</b>		<b>2,219.53</b>	<b>1,482.71</b>
<b>Profit for the year (A)</b>		<b>7,232.90</b>	<b>4,621.11</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified to profit or loss</i>			
Changes in fair value of FVOCI debt instruments	11b	(28.86)	(16.85)
<i>Income tax relating to items that will be reclassified to profit or loss</i>			
Changes in fair value of FVOCI debt instruments	11b	7.26	4.24
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	11b	1.11	(1.16)
Changes in fair value of FVOCI equity instruments	11b	(7.04)	(6.37)
<i>Income tax relating to items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	11b	(0.28)	0.29
Changes in fair value of FVOCI equity instruments	11b	2.52	2.50
<b>Total other comprehensive income / (loss) for the period, net of taxes (B)</b>		<b>(25.29)</b>	<b>(17.35)</b>
<b>Total comprehensive income for the period (A)+(B)</b>		<b>7,207.61</b>	<b>4,603.76</b>
<b>Earnings per equity share ( Face value of ₹1 each)</b>			
- Basic and Diluted (₹)	25	146.12	93.36
Summary of significant accounting policies	1		
The above Statement of Profit and Loss should be read in conjunction with the accompanying notes			

This is the Statement of Profit & Loss referred to in our report of even date

### For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

#### Sumit Seth

Partner

Membership No.: 105869

#### Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

### For and on behalf of the Board of Directors

#### K. Narasimha Murthy

Director

[DIN: 00023046]

#### Ashishkumar Chauhan

Managing Director & CEO

[DIN: 00898469]

Place : San Diego, United States of America

Date : May 15, 2023

#### Yatrik Vin

Group CFO & Head Corporate Affairs

#### Rohit Gupte

Company Secretary

## Standalone Statement of Changes in Equity for the year ended March 31, 2023

### (A) Equity share capital

(₹ in Crores)

Balance as at April 1, 2021	49.50
Changes in equity share capital during the year	-
Balance as at March 31, 2022	49.50
Balance as at April 1, 2022	49.50
Changes in equity share capital during the year	-
Balance as at March 31, 2023	49.50

### (B) Other Equity

(₹ in Crores)

Particulars	Reserves and Surplus				Total reserves and surplus	Other Reserves		Total other reserves	Total
	Securities Premium	Retained earnings	Risk reserve	Other reserves		Equity instruments through other comprehensive income	Debt instruments through other comprehensive income		
Balance at the April 1, 2021	35.50	8,000.64	-	11.50	8,047.64	58.03	14.00	72.03	8,119.67
Profit for the year	-	4,621.11	-	-	4,621.11	-	-	-	4,621.11
Other Comprehensive Income / (loss)	-	(0.87)	-	-	(0.87)	(3.87)	(12.61)	(16.48)	(17.35)
<b>Transaction with owners in their capacity as owners</b>									
Dividend paid	-	(1,225.13)	-	-	(1,225.13)	-	-	-	(1,225.13)
Balance as at March 31, 2022	35.50	11,395.75	-	11.50	11,442.75	54.16	1.39	55.55	11,498.30
Balance at the April 1, 2022	35.50	11,395.75	-	11.50	11,442.75	54.16	1.39	55.55	11,498.30
Profit for the year	-	7,232.90	-	-	7,232.90	-	-	-	7,232.90
Transfer to Risk reserve	-	(6,583.00)	6,583.00	-	-	-	-	-	-
Other Comprehensive Income / (loss)	-	0.83	-	-	0.83	(4.52)	(21.60)	(26.12)	(25.29)
<b>Transaction with owners in their capacity as owners</b>									
Dividend paid	-	(2,079.00)	-	-	(2,079.00)	-	-	-	(2,079.00)
Balance as at March 31, 2023	35.50	9,967.48	6,583.00	11.50	16,597.48	49.64	(20.21)	29.43	16,626.91

#### Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

#### Other Reserves:

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities.

#### Risk reserve:

The Board of Directors of National Stock Exchange of India Limited in its meeting held on May 15, 2023, has decided to appropriate an amount of ₹6,583 crores from retained earnings to a separate reserve within equity towards adequate risk capital management.

#### Equity instruments through other comprehensive income:

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### Debt instruments through other comprehensive income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

This is the Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : San Diego, United States of America

Date : May 15, 2023

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

Yatrik Vin

Group CFO & Head Corporate Affairs

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Ashishkumar Chauhan

Managing Director & CEO

[DIN: 00898469]

Rohit Gupte

Company Secretary

## Standalone Statement of Cash Flows (contd...)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
PROFIT BEFORE TAX		9,452.43	6,103.82
<b>Adjustments for</b>			
Depreciation and amortisation expense	2, 3	302.21	259.72
Interest on lease liabilities	35(b)	7.85	6.66
(Reversal)/ Provision for doubtful debts		(2.20)	(2.13)
Bad debts written off	24	2.18	0.65
Intangible assets written off	24	60.81	-
Interest income from financial assets at amortised cost	22	(227.58)	(122.12)
Interest income from financial assets designated at fair value through other comprehensive income	22	(114.86)	(55.65)
Income on Investments	21	(58.93)	(46.64)
Dividend income	22	(838.47)	(225.72)
Rent income		(1.35)	(2.96)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	22	(216.91)	(139.51)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	22	(90.29)	(53.78)
Net profit on sale of property, plant and equipment	24	-	(0.21)
Contribution to Core Settlement Guarantee Fund		199.45	-
<b>Change In operating assets and liabilities</b>			
(Increase)/Decrease in trade receivables	8	(162.74)	(499.88)
Increase/(Decrease) in trade payables	12	78.42	30.77
(Increase)/Decrease in other financial assets	5	7.39	(30.09)
(Increase)/Decrease in other assets	6	(82.62)	(439.72)
Increase/(Decrease) in other financial liabilities	13	(44.14)	296.69
Increase/(Decrease) in contract liabilities	14	12.39	38.50
Increase/(Decrease) in provisions	15	(19.09)	38.42
(Refund) /Proceeds of deposits from trading members / applicants	20	(2.74)	38.66
Increase/(Decrease) in other liabilities	19	(1,432.95)	586.85
<b>CASH GENERATED FROM OPERATIONS</b>		<b>6,828.26</b>	<b>5,782.33</b>
Income taxes paid	17, 18	(2,027.97)	(1,346.91)
<b>NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)</b>		<b>4,800.29</b>	<b>4,435.42</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment & intangibles	2, 3	(299.10)	(439.91)
Proceeds from rent income		1.35	2.96
Proceeds from property, plant and equipment		0.05	0.82
Payment for investment in a subsidiary and associate		(60.00)	(105.00)
Proceeds from sale of investments		31,777.80	26,758.85
Payment for purchase of investments		(32,382.24)	(29,659.04)
Proceeds from fixed deposits and certificate of deposits with banks		5,331.13	981.89
Proceeds from fixed deposits with financial institutions		120.88	298.10
Payment for investment in fixed deposits and certificate of deposits with banks		(7,747.13)	(1,326.79)
Payment for investment in deposits with financial institutions	5	-	(115.00)
Interest received	5, 22	264.11	241.15
Dividend received	22	838.47	225.72
<b>NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)</b>		<b>(2,154.68)</b>	<b>(3,136.25)</b>

## Standalone Statement of Cash Flows (contd...)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid	11(b)	(2,078.35)	(1,224.97)
Payment of lease liability	35(b)	(8.21)	(4.39)
Interest on lease liabilities	35(b)	(7.85)	(6.66)
<b>NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)</b>		<b>(2,094.41)</b>	<b>(1,236.02)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)</b>		<b>551.20</b>	<b>63.15</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	9	102.57	39.42
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	9	653.77	102.57
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT</b>		<b>551.20</b>	<b>63.15</b>
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>			
Cash and cash equivalents comprise of the following			
<b>Balances with banks</b>			
In current accounts	9	120.23	102.56
Certificate of Deposits		493.55	-
Government Securities		39.98	-
Cash in hand		0.01	0.01
<b>Balances as per statement of cash flows</b>		<b>653.77</b>	<b>102.57</b>
Non-cash investing activities			
- Acquisition of Right-of-use assets	2(b)	50.36	53.64
- Conversion of preference shares into equity shares held in the subsidiary company	4	390.47	22.50

The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Indian Accounting Standards) Rules, 2015.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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

Chartered Accountants

Firm's Registration no : 304026E / E-300009

**Sumit Seth**

Partner

Membership No.: 105869

**Girish Chandra Chaturvedi**

Chairman

[DIN: 00110996]

**For and on behalf of the Board of Directors**

**K. Narasimha Murthy**

Director

[DIN: 00023046]

**Ashishkumar Chauhan**

Managing Director & CEO

[DIN: 00898469]

Place : San Diego, United States of America

Date : May 15, 2023

**Yatrik Vin**

Group CFO & Head Corporate Affairs

**Rohit Gupte**

Company Secretary

## Notes to the financial statements for the year ended March 31, 2023

### BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

#### Background

The National Stock Exchange of India Limited (“NSE” or “the Company”) established in 1992 is the first demutualised electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments.

#### Note 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements (“financial statements”). These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

##### (i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company has determined current and non-current classification of its assets and liabilities in the financial statements as per Ind AS 1 – ‘Presentation of financial statements’. Based on its assessment, the company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

##### (iii) Adoption of new Accounting Standards and amendments

The Ministry of Corporate Affairs has vide notification dated March 23, 2022, notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective from April 1, 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## Notes to the financial statements for the year ended March 31, 2023

### (b) Foreign currency translation and transactions

#### (i) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

#### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

### (c) Income recognition

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognises revenue in the period in which it satisfies its performance obligation by transferring promised services to the customer. The sources of revenue and Company's accounting policy are as follows:

#### (a) *Revenue*

- (i) Transaction charges – revenue in respect of trading transactions on exchange is recognised in accordance with the Company's fee scales at a point in time as an when the transaction is completed.
- (ii) Listing fees - Revenue for listings fees is recognised when the listing event has taken place and processing fees in relation to listing is recognised on a straight-line basis over the period to which they relate.
- (iii) Book building fees – revenue is recognised at a point in time on completion of the book building process.
- (iv) Colocation Charges - revenue is recognised over the period of the contract with the customer. The revenue is calculated based on the specified charges for colocation racks and is recognised in the period in which the performance obligation is satisfied.

#### (b) *Other*

- (i) Other services – all other revenue is recognised in the period in which the performance obligation is satisfied over a period of time or point in time.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

In respect of members who have been declared as defaulters by the Company, all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

Penal charges in respect of shortages due from the respective member is recognised in the statement of profit and loss as part of revenue to the extent such charges are recoverable in the period of declaration of default.

### (d) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable

## Notes to the financial statements for the year ended March 31, 2023

income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

The Company considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (e) Leases

#### *As a lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at that date at which the lease asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether as contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

## Notes to the financial statements for the year ended March 31, 2023

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expenses on a straight line basis over the term of the lease.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

### ***As a lessor***

Lease for which the Company is a lessor is classified as finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on straight line basis over the term of the relevant lease.

### **(f) Impairment of assets**

Intangible assets that have an indefinite useful life and intangibles under development are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **(g) Cash and cash equivalents**

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, government securities and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked / restricted for specific purposes.

### **(h) Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### **(i) Investments and other financial assets**

#### ***(i) Classification***

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

## Notes to the financial statements for the year ended March 31, 2023

- those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### (ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the company commits to purchase or sale the financial asset.

### (iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on financial assets that is subsequently measured at fair value through profit & loss is recognised in profit or loss and presented in the statement of profit and loss under other income in the period in which it arises. Interest or dividend income, if any from these financial assets is separately included in other income.

#### **Equity investments (other than Investments in subsidiaries and associates)**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes

## Notes to the financial statements for the year ended March 31, 2023

in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Equity Investments (in subsidiaries and associates)

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note f above. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

### (iv) *Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### (v) *De-recognition of financial assets*

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Purchase and sale of investment are accounted at trade date.

### (vi) *Income recognition*

#### *Interest income*

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

#### *Dividends*

Dividends are recognised as other income in the statement profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured. This applies even if they are paid out of pre-acquisition profits, unless

## Notes to the financial statements for the year ended March 31, 2023

the dividend clearly represents a recovery of part of the cost of the investment.

### (j) Financial liabilities

#### (i) *Classification as debt or equity*

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### (ii) *Initial recognition and measurement*

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

#### (iii) *Subsequent measurement*

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

#### (iv) *Derecognition*

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### (l) Property, plant and equipment (including Capital Work In Progress)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### *Depreciation methods, estimated useful lives and residual value*

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment & installations	10 years
Computer systems office – automation and others	3 to 4 years
Telecommunication systems	4 years
Trading systems	4 years

The useful lives for computer systems office automation, computer systems – others, telecommunication systems, trading systems and clearing & settlement systems have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted on a prospective basis if appropriate, at the end of each reporting period.

## Notes to the financial statements for the year ended March 31, 2023

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Depreciation on assets purchased / disposed off during the year is provided on pro rata basis with reference to the date of additions / deductions.

Fixed assets whose aggregate cost is ₹5,000 or less are depreciated fully in the year of acquisition.

### (m) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

### (n) Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

### (o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (p) Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past

## Notes to the financial statements for the year ended March 31, 2023

events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (q) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

### (r) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in the statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity;
- (b) Defined contribution plans such as superannuation and provident fund.

#### **Gratuity obligations**

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

## Notes to the financial statements for the year ended March 31, 2023

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### (iv) *Defined contribution plans*

The Company pays provident fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

### *Superannuation*

Superannuation benefits for employees designated as chief managers and above are covered by Company policies with the Life Insurance Corporation of India. Company's contribution payable for the year is charged to profit and loss. There are no other obligations other than the annual contribution payable.

### (v) *Bonus plans*

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :

- A. The variable pay component will not exceed one third of the total pay.
- B. 50% of the variable pay will be paid on a deferred basis after three years.

### (s) *Contributed equity*

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (t) *Dividends*

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (u) *Earnings per share*

#### (i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (v) *Core Settlement Guarantee Fund*

The Company contributes to Settlement Guarantee Fund/ Core Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2018. The Company contributes

## Notes to the financial statements for the year ended March 31, 2023

25% of its annual profits as per Regulation 33 of SECC 2012, and also contributes amounts pertaining to Minimum Required Contribution to the Core Settlement Guarantee Fund maintained by NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited) (subsidiary of the Company), which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/ Core Settlement Guarantee Fund is recorded as an expense and such amounts are separately disclosed as other current liability in balance sheet. Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012, and the Company is now required to contribute only towards the MRC of Core SGF.

Post interoperability, the exchange is required to proportionately contribute to Core SGF of the clearing corporations, namely NSE Clearing Limited (NCL), Indian Clearing Corporation Limited (ICCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) which clears and settles the trades of the exchange. Such contributions are also recorded as an expense and separately disclosed under current liability in the balance sheet.

### (w) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

### (x) Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### *The areas involving critical estimates or judgments are:*

Estimation of fair value of unlisted securities Note 28

Estimation of contingent liabilities refer Note 31

Estimation of impairment of investments in associates and subsidiaries Note 4.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

### (y) Recent Accounting Pronouncements

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective from April 1, 2023.

Ind AS 1 – Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting policies, Changes in Accounting Estimates & Errors – The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## Notes to the financial statements for the year ended March 31, 2023

### Note 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Owned building*	Office equipments	Electrical equipment & installations	Furniture & fixtures	Trading systems	Computer systems - office automation	Computer systems - others	Tele-communication systems	Motor Vehicles	Total	Capital work in progress
<b>Year ended March 31, 2022</b>												
Gross carrying amount												
Opening as at 01.04.2021	32.20	183.39	108.03	115.99	69.75	111.86	33.26	502.10	282.78	-	1,439.36	7.84
Additions	-	-	16.01	18.51	3.03	26.46	5.90	160.69	179.92	-	410.52	472.23
Disposals	-	-	-	-	-	(2.20)	(0.10)	-	(0.64)	-	(2.94)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(410.52)
<b>Closing gross carrying amount</b>	<b>32.20</b>	<b>183.39</b>	<b>124.04</b>	<b>134.50</b>	<b>72.78</b>	<b>136.12</b>	<b>39.06</b>	<b>662.79</b>	<b>462.06</b>	<b>-</b>	<b>1,846.94</b>	<b>69.55</b>
<b>Accumulated depreciation</b>												
Opening as at 01.04.2021	-	48.91	81.57	70.02	45.56	92.41	24.60	253.23	187.26	-	803.56	-
Depreciation / Accelerated depreciation charge during the year	-	3.07	19.66	23.28	8.41	9.74	5.26	99.10	58.92	-	227.44	-
Disposals	-	-	-	-	-	(1.75)	-	-	(0.58)	-	(2.33)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>51.98</b>	<b>101.23</b>	<b>93.30</b>	<b>53.97</b>	<b>100.40</b>	<b>29.86</b>	<b>352.33</b>	<b>245.60</b>	<b>-</b>	<b>1,028.67</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2022</b>	<b>32.20</b>	<b>131.41</b>	<b>22.81</b>	<b>41.20</b>	<b>18.81</b>	<b>35.72</b>	<b>9.20</b>	<b>310.46</b>	<b>216.46</b>	<b>-</b>	<b>818.27</b>	<b>69.55</b>
<b>Year ended March 31, 2023</b>												
Gross carrying amount												
Opening as at 01.04.2022	32.20	183.39	124.04	134.50	72.78	136.12	39.06	662.79	462.06	-	1,846.94	69.55
Additions	-	-	8.30	9.90	2.95	35.79	7.55	117.27	29.73	0.73	212.22	188.61
Disposals	-	-	(0.01)	-	-	-	(0.02)	-	(0.71)	-	(0.74)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	(212.22)
<b>Closing gross carrying amount</b>	<b>32.20</b>	<b>183.39</b>	<b>132.33</b>	<b>144.40</b>	<b>75.73</b>	<b>171.91</b>	<b>46.59</b>	<b>780.06</b>	<b>491.08</b>	<b>0.73</b>	<b>2,058.42</b>	<b>45.94</b>
<b>Accumulated depreciation</b>												
Opening as at 01.04.2022	-	51.98	101.23	93.30	53.97	100.40	29.86	352.33	245.60	-	1,028.67	-
Depreciation	-	3.07	11.70	8.29	5.71	16.52	5.59	137.26	76.79	0.05	264.98	-
Disposals	-	-	(0.01)	-	-	-	(0.02)	-	(0.71)	-	(0.74)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>55.05</b>	<b>112.92</b>	<b>101.59</b>	<b>59.68</b>	<b>116.92</b>	<b>35.43</b>	<b>489.59</b>	<b>321.68</b>	<b>0.05</b>	<b>1,292.91</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>32.20</b>	<b>128.34</b>	<b>19.41</b>	<b>42.81</b>	<b>16.05</b>	<b>54.99</b>	<b>11.16</b>	<b>290.47</b>	<b>169.40</b>	<b>0.68</b>	<b>765.51</b>	<b>45.94</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd.)

\* Includes investment property for which cost and fair value details are as follows: (₹ in Crores)

Particulars	31.03.2023	31.03.2022
Net Carrying amount of Investment property	5.45	5.38
Fair Value of investment property [Refer note 2(a)(2)]	63.51	39.32
Depreciation	0.15	0.15
Rental Income	1.35	2.96
Direct operating expenses	-	(0.54)

Note 2(a)(1): Capital and other Contractual commitment Refer note 30

#### Note 2(a)(2): Estimation of fair value

The fair value of the Company's Investment properties as at March 31, 2023 and as at March 31, 2022, have been arrived at on the basis of valuation carried out at the respective dates by an external, independent valuer registered with the authority which governs the valuer in India. The fair value measurement for all the investments properties has been categorised as Level 2 based on the inputs to the valuation technique used. Considering the type of the assets, market approach (sales comparable method) to estimate the fair value of the subject properties is adopted. [Refer note 41(x)]

#### Note 2(a)(3): Ageing of CWIP

(₹ in Crores)

Description	Amount of Capital Work In Progress as on March 31, 2023					Amount of Capital Work In Progress as on March 31, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	45.56	0.38	-	-	45.94	68.79	-	0.76	-	69.55
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

**Note 2(a)(4):** For capital-work-in progress (CWIP), whose completion is overdue or exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2023 and as of March 31, 2022.

(₹ in Crores)

Description	To be completed in (Ageing as on March 31, 2023)					To be completed in (Ageing as on March 31, 2022)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-	-	-	-	-	-
(i) Development of meters of windmill	-	-	-	-	-	0.76	-	-	-	0.76

## Notes to the financial statements for the year ended March 31, 2023

### Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd...)

#### Note 2(b): Right-of-Use Asset

(₹ in Crores)

Particulars	Leasehold Land	Building	Plant & Equipments	Total
<b>Year ended March 31, 2022</b>				
Gross carrying amount				
Opening as at 01.04.2021	107.61	26.33	-	133.94
Additions	-	53.64	-	53.64
Disposals	-	-	-	-
<b>Closing gross carrying amount</b>	<b>107.61</b>	<b>79.97</b>	<b>-</b>	<b>187.58</b>
Accumulated depreciation				
Opening as at 01.04.2021	32.90	7.44	-	40.34
Depreciation charge during the year	1.30	7.94	-	9.24
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>34.20</b>	<b>15.38</b>	<b>-</b>	<b>49.58</b>
<b>Net carrying amount as at 31.03.2022</b>	<b>73.41</b>	<b>64.59</b>	<b>-</b>	<b>138.00</b>
<b>Year ended March 31, 2023</b>				
Gross carrying amount				
Opening as at 01.04.2022	107.61	79.97	-	187.58
Additions	-	45.81	4.55	50.36
Disposals	-	-	-	-
<b>Closing gross carrying amount</b>	<b>107.61</b>	<b>125.78</b>	<b>4.55</b>	<b>237.94</b>
Accumulated depreciation				
Opening as at 01.04.2022	34.20	15.38	-	49.58
Depreciation charge during the year	1.30	10.52	0.57	12.39
Disposals	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>35.50</b>	<b>25.90</b>	<b>0.57</b>	<b>61.97</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>72.11</b>	<b>99.88</b>	<b>3.98</b>	<b>175.97</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer software	Computer software under development
<b>Gross carrying amount</b>		
Opening as at 01.04.2021	299.57	30.83
Additions	28.10	49.77
Deductions / written off	-	-
Transfers	-	(28.10)
<b>Closing gross carrying amount</b>	<b>327.67</b>	<b>52.50</b>
<b>Accumulated amortisation</b>		
Opening as at 01.04.2021	256.15	-
Amortisation for the year	23.05	-
Deductions	-	-
<b>Closing accumulated amortisation</b>	<b>279.20</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2022</b>	<b>48.47</b>	<b>52.50</b>
<b>Gross carrying amount</b>		
Opening as at 01.04.2022	327.67	52.50
Additions	8.18	39.19
Deductions	-	-
Impairment of intangible assets under development (Refer note 3.5 & 24)	(15.91)	(49.51)
Transfers	-	(8.18)
<b>Closing gross carrying amount</b>	<b>319.94</b>	<b>34.00</b>
<b>Accumulated amortisation</b>		
Opening as at 01.04.2022	279.20	-
Amortisation for the year	24.86	-
Deductions (Refer note 3.5 & 24)	(4.61)	-
<b>Closing accumulated amortisation</b>	<b>299.45</b>	<b>-</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>20.49</b>	<b>34.00</b>

Note: 3.1 Capital and other Contractual commitment Refer note 30

Note: 3.2 Significant estimate: Useful life of intangible assets. As at 31 March 2023, the net carrying amount of this software was ₹20.49 crores (31 March 2022: ₹48.47 crores). The Company estimates the useful life of the software to be 4 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 4 years, depending on technical innovations and competitor action

Note: 3.3 Ageing of Intangibles under development

(₹ in Crores)

Description	Amount of Intangibles under development as on March 31, 2023				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	6.27	25.88	1.20	0.65	34.00
(ii) Projects temporarily suspended	-	-	-	-	-

## Notes to the financial statements for the year ended March 31, 2023

### Note 3 : INTANGIBLE ASSETS (contd...)

(₹ in Crores)

Description	Amount of Intangibles under development as on March 31, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	37.38	14.47	0.65	-	52.50
(ii) Projects temporarily suspended	-	-	-	-	-

Note: 3.4 For computer software under development, whose completion is overdue or exceeded its cost compared to its original plan, the project wise details of when the project is expected to be completed is given below as of March 31, 2023 and March 31, 2022.

(₹ in Crores)

Description	To be completed in (Ageing as on March 31, 2023)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
i) Blockchain Development	-	0.86	-	-	0.86

(₹ in Crores)

Description	To be completed in (Ageing as on March 31, 2022)				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Projects in progress</b>					
i) Process Transformation Projects	8.57	-	-	-	8.57
ii) Blockchain Development	-	1.06	-	-	1.06

Note: 3.5 During the year, the Company has carried out the impairment assessment of intangible assets including intangible assets under development. Basis the assessment, the Company has impaired / written off certain intangible assets including intangible assets under development as these assets are not expected to be used.

### Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2023		31.03.2022	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>I Investment in subsidiaries and associates</b>				
<b>A) Unquoted equity instruments at cost</b>				
<b>(i) In subsidiary companies</b>				
NSE Clearing Limited	4,50,00,000	5.64	4,50,00,000	5.64
NSE Investments Limited (Refer note 4.3)	82,59,93,406	826.11	43,55,21,703	435.64
NSE IFSC Limited (Refer note 4.2)	30,00,00,000	300.00	25,00,00,000	250.00
NSE Foundation (Section 8 Company) (Refer note 4.1)	38,000	-	38,000	-
<b>(ii) In associate companies</b>				
National Securities Depository Limited	4,80,00,000	58.92	96,00,000	58.92
BFSI Sector Skill Council Of India (Section 8 Company)	1,00,00,000	1.00	1,00,00,000	1.00
India International Bullion Holding IFSC Ltd	30,00,00,000	30.00	20,00,00,000	20.00
<b>Total equity instruments</b>		<b>1,221.67</b>		<b>771.20</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2023		31.03.2022	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>II Investments in preference shares (fully paid up)</b>				
<b>A) Unquoted preference shares</b>				
<b>In subsidiary company</b>				
6% Non-Cumulative Compulsorily Convertible Preference Shares of NSE Investments Limited (Refer note 4.3)	-	-	39,04,71,703	390.47
<b>Total preference shares</b>		-		<b>390.47</b>
<b>Total Investment in subsidiaries and associates</b>		<b>1,221.67</b>		<b>1,161.67</b>
<b>III Investment (other than in subsidiaries and associates)</b>				
<b>A) Quoted equity instruments at FVOCI</b>				
Multi Commodity Exchange of India Limited	5,000	0.76	5,000	0.71
<b>Total quoted equity instruments at FVOCI</b>		<b>0.76</b>		<b>0.71</b>
<b>B) Unquoted equity instruments</b>				
National Commodity & Derivative Exchange Limited [Refer note 28(ii)]	76,01,377	112.78	76,01,377	119.87
<b>Total unquoted equity instruments</b>		<b>112.78</b>		<b>119.87</b>
<b>IV Investment in bonds</b>				
<b>Quoted bonds at amortised cost</b>				
(i) Tax free bonds		543.74		577.74
(ii) Taxable bonds		753.48		780.23
<b>Total bonds</b>		<b>1,297.22</b>		<b>1,357.97</b>
<b>V Investment in government securities</b>				
Quoted investment in government securities at FVOCI		2,724.56		1,111.84
		<b>2,724.56</b>		<b>1,111.84</b>
<b>Total Investment (other than in subsidiaries and associates)</b>		<b>4,135.32</b>		<b>2,590.39</b>
<b>Total non-current investments</b>		<b>5,356.99</b>		<b>3,752.06</b>
Aggregate amount of quoted investments		4,022.54		2,470.52
Aggregate market value of quoted investments		4,031.96		2,537.12
Aggregate amount of unquoted investments		1,334.45		1,281.54

4.1 In the earlier year, the Company has written down the value of its investment in equity shares of NSE Foundation amounting to ₹0.04 crores, since, it has been set up to carry out CSR activities for the Company and will not have profits which can be distributed to the Company.

4.2 The Company has performed an impairment assessment in respect of its investment in NSE IFSC Limited under Ind AS 36, Impairment of Assets. Basis the assessment, the recoverable value of its investment exceeds the carrying value and accordingly the Company has concluded that no impairment is to be recognised as at March 31, 2023 and as at March 31, 2022.

4.3 During the current year, Preference shares held in NSE Investments Ltd have been converted into equity shares amounting to ₹390.47 crores (March 31, 2022: ₹22.50 crores).

## Notes to the financial statements for the year ended March 31, 2023

### Note 5 : OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	31.03.2023		31.03.2022	
	Non-current	Current	Non-current	Current
<b>(a) Non-current bank balances</b>				
Fixed deposits with original maturity and remaining maturity for more than 12 months (original and remaining)	313.32	-	16.91	-
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	49.11	-	78.08	-
<b>Total (a)</b>	<b>362.43</b>	<b>-</b>	<b>94.99</b>	<b>-</b>
<b>(b) Others</b>				
Security deposit for utilities and premises	7.41	-	3.33	-
Receivable from related parties (Refer note 29b)	-	8.55	-	8.91
Interest accrued on Bank deposits	11.80	29.82	6.26	34.45
Gratuity fund	-	2.11	-	-
Other receivables	-	5.34	-	6.94
<b>Other Deposits</b>				
Deposits with financial institutions at amortised cost	-	-	-	115.38
<b>Total (b)</b>	<b>19.21</b>	<b>45.82</b>	<b>9.59</b>	<b>165.68</b>

5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

### Note 6 : OTHER ASSETS

(₹ in Crores)

Particulars	31.03.2023		31.03.2022	
	Non-current	Current	Non-current	Current
Capital advances	11.14	-	1.39	-
Deposit with SEBI - Colocation [Refer note 31(i)(a)]	707.47	300.00	1,107.47	-
Other Advances recoverable	-	14.04	-	15.68
Balances with statutory authorities	-	217.83	-	80.93
Prepaid expenses	21.21	108.27	4.68	77.44
Securities Transaction Tax paid (Refer note 6.1)	10.60	-	10.61	-
	<b>750.42</b>	<b>640.14</b>	<b>1,124.15</b>	<b>174.05</b>

6.1 Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.41 crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities. (Refer note no. 19).

## Notes to the financial statements for the year ended March 31, 2023

### Note 7 : CURRENT INVESTMENTS

Particulars	31.03.2023		31.03.2022	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
<b>A) Investment in bonds</b>				
<b>Quoted bonds at amortised cost</b>				
(i) Taxable bonds		265.93		-
(ii) Tax free bonds		29.58		96.33
		<b>295.51</b>		<b>96.33</b>
<b>B) Investment in debentures</b>				
<b>(i) Quoted debentures at amortised cost</b>		66.37		80.13
Less: Impairment losses on financial assets (Refer note 7.2)		(66.37)		(80.13)
<b>Total quoted debentures</b>		<b>-</b>		<b>-</b>
<b>C) Investment in Government Securities</b>				
Quoted investment in government securities at FVOCI		86.22		719.87
		<b>86.22</b>		<b>719.87</b>
<b>D) Investment in Commercial Paper</b>				
Quoted investment in commercial paper at amortised cost		99.09		-
		<b>99.09</b>		<b>-</b>
<b>E) Investment in Certificate of Deposits</b>				
Quoted investment in certificate of deposits at amortised cost		321.36		-
		<b>321.36</b>		<b>-</b>
<b>F) Investment in mutual funds</b>				
(i) Quoted investments in mutual funds at FVPL		693.01		478.03
(ii) Unquoted investments in mutual funds at FVPL (Refer note 7.1)		4,559.20		5,451.42
<b>Total Investment in Mutual Funds</b>		<b>5,252.21</b>		<b>5,929.45</b>
<b>Total current investments</b>		<b>6,054.39</b>		<b>6,745.65</b>
Aggregate amount of quoted investments		1,495.19		1,294.23
Aggregate market value of quoted investments		1,494.61		1,296.93
Aggregate amount of unquoted investments		4,559.20		5,451.42
Aggregate amount of impairment in the value of investments		66.37		80.13

7.1 The investments in mutual funds includes ₹18.09 crores (March 31, 2022: ₹16.26 crores) invested from contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

7.2 The Company's investment in Non convertible debenture of IL&FS Group amounting to ₹80.13 crores have been classified as credit impaired in the financial year 2018-19 on account of significant financial difficulty of the issuer, disappearance of an active market for their securities and credit rating downgrade from "AAA" to "D". Accordingly, Company recognised impairment loss of ₹80.13 crores on such financial assets in the profit and loss account in the financial year 2018-19. During the current year, the Company has received an amount of ₹13.77 crores which is disclosed under other expenses "reversal of impairment losses on financial assets".

## Notes to the financial statements for the year ended March 31, 2023

### Note 8 : TRADE RECEIVABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Trade Receivables - Unbilled (Refer note 8.3)	1,453.64	1,295.08
Trade Receivables - Billed	54.40	51.74
Less : Credit impaired	(8.46)	(10.65)
	<b>1,499.58</b>	<b>1,336.17</b>
<b>Break up of security details</b>		
Trade Receivables considered good - Secured (Refer note 8.1)	1,452.71	1,294.87
Trade Receivables considered good - Unsecured	46.87	41.30
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	8.46	10.65
<b>Total</b>	<b>1,508.04</b>	<b>1,346.82</b>
Credit impaired	(8.46)	(10.65)
<b>Total Trade Receivables</b>	<b>1,499.58</b>	<b>1,336.17</b>

8.1 Trade Receivables are secured against deposits received from members (Refer note: 20 & 37)

8.2 The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables (as opposed to contract assets) because there is an unconditional right to consideration.

8.3 Trade receivables have a short credit period and does not have any significant financing component.

#### Ageing of Trade Receivables as on March 31, 2023

Description	Outstanding for following periods from the due date						
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed Trade Receivables</b>							
Trade Receivables considered good - Secured	1,453.64	16.96	0.66	0.38	0.28	0.10	1,472.02
Trade Receivables considered good - Unsecured	-	13.84	8.33	7.96	2.96	2.93	36.02
Total	1,453.64	30.80	8.99	8.34	3.24	3.03	1,508.04
Less: Credit impaired	-	-	-	(2.19)	(3.24)	(3.03)	(8.46)
<b>Total</b>	<b>1,453.64</b>	<b>30.80</b>	<b>8.99</b>	<b>6.15</b>	<b>-</b>	<b>-</b>	<b>1,499.58</b>

#### Ageing of Trade Receivables as on March 31, 2022

(₹ in Crores)

Description	Outstanding for following periods from the due date						
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
<b>Undisputed Trade Receivables</b>							
Trade Receivables considered good - Secured	1,295.08	3.76	2.50	4.15	3.58	0.95	1,310.02
Trade Receivables considered good - Unsecured	-	15.25	10.69	5.99	3.05	1.82	36.80
Total	1,295.08	19.01	13.19	10.14	6.63	2.77	1,346.82
Less: Credit impaired	-	-	-	(1.25)	(6.63)	(2.77)	(10.65)
<b>Total</b>	<b>1,295.08</b>	<b>19.01</b>	<b>13.19</b>	<b>8.89</b>	<b>-</b>	<b>-</b>	<b>1,336.17</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 9 : CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Balances with banks : in current accounts	120.23	102.56
Government Securities		
- with original maturity less than 3 months	39.98	-
Certificate of Deposits with banks		
- with original maturity less than 3 months	493.55	-
Cash on hand	0.01	0.01
	<b>653.77</b>	<b>102.57</b>

### Note 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Balances with banks : in current accounts (Refer note 10.1 & 34.1)	35.72	47.34
Fixed Deposits		
- with original maturity for more than 3 months but less than 12 months	114.03	10.22
- with maturity of less than 12 months at the balance sheet date	520.09	507.82
Certificate of Deposits with banks		
- with original maturity for more than 3 months but less than 12 months	2,964.76	762.42
Earmarked Fixed Deposits (Refer note 10.2)		
- with original maturity for more than 3 months but less than 12 months	57.18	104.72
- with maturity of less than 12 months at the balance sheet date	346.85	317.55
Unpaid dividends	0.65	0.16
	<b>4,039.28</b>	<b>1,750.23</b>

10.1 This include an amount of ₹31.13 crores (March 31, 2022: NIL) towards unspent CSR, an amount of ₹4.59 crores (March 31, 2022: ₹45.78 crores) towards defaulter members and an amount of NIL (March 31, 2022: ₹1.56 crores) towards contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

10.2 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

### Note 11 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Authorised</b>		
50,00,00,000 Equity Shares of Re. 1 each.	50.00	50.00
(Previous year : 50,00,00,000 equity shares of Re. 1 each)		
<b>Issued, subscribed and paid-up</b>		
49,50,00,000 equity shares of Re. 1 each, fully paid up	49.50	49.50
(Previous year : 49,50,00,000 equity shares of Re. 1 each, fully paid up)		
<b>Total</b>	<b>49.50</b>	<b>49.50</b>

#### Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share. They entitle the holder to participate in dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to the financial statements for the year ended March 31, 2023

### Note 11 a : EQUITY SHARE CAPITAL (contd...)

A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2023		As at 31.03.2022	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year Face value of Re. 1 each	49.50	49.50	49.50	49.50
Changes in equity share capital during the year	-	-	-	-
At the end of the year Face value of Re. 1 each	49.50	49.50	49.50	49.50

Details of shareholders holding more than 5% share in the Company

Name of the Company	As at 31.03.2023		As at 31.03.2022	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	5,30,55,000	10.72%	5,30,55,000	10.72%

### Note 11 b : OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus				Total reserves and surplus	Other Reserves			Total
	Securities premium reserve	Retained earnings *	Risk reserve	Other reserves		Equity instruments through other comprehensive income	Debt instruments through other comprehensive income	Total other reserves	
Balance at the April 1, 2021	35.50	8,000.64	-	11.50	8,047.64	58.03	14.00	72.03	8,119.67
Profit for the year	-	4,621.11	-	-	4,621.11	-	-	-	4,621.11
Dividend paid (Refer Note 1 below)	-	(1,225.13)	-	-	(1,225.13)	-	-	-	(1,225.13)
<b>Items of Other Comprehensive Income</b>	-	-	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligations, net of tax	-	(0.87)	-	-	(0.87)	-	-	-	(0.87)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	(3.87)	-	(3.87)	(3.87)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	(12.61)	(12.61)	(12.61)
<b>Balance as at March 31, 2022</b>	<b>35.50</b>	<b>11,395.75</b>	<b>-</b>	<b>11.50</b>	<b>11,442.75</b>	<b>54.16</b>	<b>1.39</b>	<b>55.55</b>	<b>11,498.30</b>
Balance at the April 1, 2022	35.50	11,395.75	-	11.50	11,442.75	54.16	1.39	55.55	11,498.30
Profit for the year	-	7,232.90	-	-	7,232.90	-	-	-	7,232.90
Transfer to Risk reserve	-	(6,583.00)	6,583.00	-	-	-	-	-	-
Dividend paid (Refer Note 2 below)	-	(2,079.00)	-	-	(2,079.00)	-	-	-	(2,079.00)
<b>Items of Other Comprehensive Income</b>	-	-	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligations, net of tax	-	0.83	-	-	0.83	-	-	-	0.83
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	-	(4.52)	-	(4.52)	(4.52)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	-	(21.60)	(21.60)	(21.60)
<b>Balance as at March 31, 2023</b>	<b>35.50</b>	<b>9,967.48</b>	<b>6,583.00</b>	<b>11.50</b>	<b>16,597.48</b>	<b>49.64</b>	<b>(20.21)</b>	<b>29.43</b>	<b>16,626.91</b>

	31.03.2023	31.03.2022
*Includes General Reserves	3,690.00	3,690.00

## Notes to the financial statements for the year ended March 31, 2023

### Note 11 b : OTHER EQUITY (contd...)

#### Securities premium reserve :

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

#### Other Reserves:

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities.

#### Risk reserve:

The Board of Directors of National Stock Exchange of India Limited in its meeting held on May 15, 2023 has decided to appropriate an amount of ₹6,583 crores from retained earnings to a separate reserve within equity towards adequate risk capital management.

#### Equity instruments through other comprehensive income:

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### Debt Instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Note 1 : The Board of Directors, in their meeting held on June 18, 2021, proposed a dividend of ₹24.75/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 25, 2021. The total dividend paid during the year ended March 31, 2022 amounts to ₹1,225.13 crores.

Note 2 : The Board of Directors, in their meeting held on May 6, 2022, proposed a dividend of ₹42/- per equity share which has been approved by the shareholders at the Annual General Meeting held on July 12, 2022. The total dividend paid during the year ended March 31, 2023 amounts to ₹2,079 crores.

### Note 12 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Trade payables	201.21	153.69
Trade payables to MSME (Refer Note 32)	1.30	2.21
Trade payables to related parties (Refer note 29b)	92.33	60.51
<b>Total</b>	<b>294.84</b>	<b>216.41</b>

#### Ageing of Trade Payables as on March 31, 2023

Description	Outstanding for following periods from the due date					Total
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
<b>Undisputed</b>						
Trade Payables - MSME	-	1.30	-	-	-	1.30
Trade Payables - Others	257.61	26.54	5.44	1.98	1.97	293.54
<b>Total</b>	<b>257.61</b>	<b>27.84</b>	<b>5.44</b>	<b>1.98</b>	<b>1.97</b>	<b>294.84</b>

#### Ageing of Trade Payables as on March 31, 2022

(₹ in Crores)

Description	Outstanding for following periods from the due date					Total
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 year	
<b>Undisputed</b>						
Trade Payables - MSME	-	2.21	-	-	-	2.21
Trade Payables - Others	185.42	19.86	4.82	-	4.10	214.20
<b>Total</b>	<b>185.42</b>	<b>22.07</b>	<b>4.82</b>	<b>-</b>	<b>4.10</b>	<b>216.41</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 13 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	31.03.2023		31.03.2022	
	Non-current	Current	Non-current	Current
Deposits - Premises	-	5.49	-	5.27
Creditors for capital expenditure	-	36.13	-	97.64
Defaulters fund pending claims	-	351.60	-	401.31
Unpaid Dividend	-	0.65	-	0.16
Other liabilities	16.35	42.55	15.49	38.09
<b>Total</b>	<b>16.35</b>	<b>436.42</b>	<b>15.49</b>	<b>542.47</b>

### Note 14 : CONTRACT LIABILITIES

(₹ in Crores)

Particulars	31.03.2023		31.03.2022	
	Non-current	Current	Non-current	Current
Contract Liabilities related to Listing services (Refer note 14.1)	69.34	3.86	58.11	2.69
<b>Total</b>	<b>69.34</b>	<b>3.86</b>	<b>58.11</b>	<b>2.69</b>

14.1 Contract liabilities mainly consist of processing fees in relation to listing fees which is recognised on straight-line basis over estimated period of 10 years.

### Note 15 : PROVISIONS

(₹ in Crores)

Particulars	31.03.2023		31.03.2022	
	Non-current	Current	Non-current	Current
<b>Employee benefits obligation</b>				
Provision for gratuity	-	-	-	1.76
Provision for variable pay and other allowances	30.82	58.67	32.82	72.50
Provision for leave encashment	-	11.58	-	14.19
<b>Total</b>	<b>30.82</b>	<b>70.25</b>	<b>32.82</b>	<b>88.45</b>

### Note 16 : INCOME TAXES

#### a) Income tax expense

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Income tax expense		
<b>Current Tax</b>		
Current tax expense	2,214.00	1,470.00
<b>Total Current Tax</b>	<b>2,214.00</b>	<b>1,470.00</b>
<b>Deferred Tax</b>		
(Increase) / Decrease in deferred tax assets	(47.40)	2.29
Increase / (Decrease) in deferred tax liabilities	52.93	10.42
<b>Total deferred tax expense (benefit)</b>	<b>5.53</b>	<b>12.71</b>
<b>Total Income tax expenses*</b>	<b>2,219.53</b>	<b>1,482.71</b>

\*This excludes deferred tax (expense) / benefit on other comprehensive income of ₹9.50 crores for the year ended March 31, 2023 and ₹7.03 crores for the year ended March 31, 2022.

## Notes to the financial statements for the year ended March 31, 2023

### Note 16 : INCOME TAXES (contd...)

#### b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Profit before income tax expense	9,452.43	6,103.82
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	2,378.99	1,536.21
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Dividend income	(211.03)	(56.81)
Interest on tax free bonds	(11.90)	(12.49)
Expenditure related to exempt income	1.67	1.76
Other non deductible expenditure	61.80	14.04
<b>Income Tax Expense</b>	<b>2,219.53</b>	<b>1,482.71</b>

The applicable Indian statutory tax rate for year ended March 31, 2023 is 25.168% (March 31, 2022 : 25.168%).

#### c) Deferred tax liabilities (net)

##### The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Deferred income tax assets</b>		
Provision for leave encashment	2.92	3.65
Others	85.36	47.55
Property, plant and equipment and investment property	11.90	1.86
Financial Assets at Fair Value through OCI	2.39	-
<b>Total deferred tax assets</b>	<b>102.57</b>	<b>53.06</b>
<b>Deferred income tax liabilities</b>		
Financial Assets at Fair Value through OCI	-	7.39
Financial Assets at Fair Value through profit and Loss	111.47	58.54
Others	0.02	0.02
<b>Total deferred tax liabilities</b>	<b>111.49</b>	<b>65.95</b>
<b>Net Deferred tax liabilities / (assets)</b>	<b>8.92</b>	<b>12.89</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 16 : INCOME TAXES (contd...)

#### d) Deferred tax assets

##### Movement in deferred tax assets

(₹ in Crores)

Particulars	Provision for leave encashment	Property, plant and equipment	Others	Total
<b>At 1 April 2021</b>	<b>3.46</b>	<b>(7.47)</b>	<b>49.74</b>	<b>45.73</b>
Charged/(credited)				-
- to profit or loss	0.19	9.33	(2.48)	7.04
- to other comprehensive income	-	-	0.29	0.29
<b>At 31 March 2022</b>	<b>3.65</b>	<b>1.86</b>	<b>47.55</b>	<b>53.06</b>
Charged/(credited)				
- to profit or loss	(0.73)	10.04	38.09	47.40
- to other comprehensive income	-	-	(0.28)	(0.28)
<b>At 31 March 2023</b>	<b>2.92</b>	<b>11.90</b>	<b>85.36</b>	<b>100.18</b>

Note : Deferred tax asset on indexation benefit of investment in subsidiaries of ₹113.01 crores as at March 31, 2023 (March 31, 2022 : ₹96.94 crores) has not been recognised as the company does not have any intention to sell and consequently such temporary difference in investments in subsidiaries is not expected to be recovered in the foreseeable future.

#### e) Movement in deferred tax liabilities

(₹ in Crores)

Particulars	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI on Equity & Debt instruments	Others	Total
<b>At 1 April 2021</b>	<b>38.79</b>	<b>14.14</b>	<b>0.02</b>	<b>52.95</b>
Charged/(credited)				
- to profit or loss	19.75	-	-	19.75
- to other comprehensive income	-	(6.75)		(6.75)
<b>At 31 March 2022</b>	<b>58.54</b>	<b>7.39</b>	<b>0.02</b>	<b>65.95</b>
Charged/(credited)				
- to profit or loss	52.93	-	-	52.93
- to other comprehensive income	-	(9.78)		(9.78)
<b>At 31 March 2023</b>	<b>111.47</b>	<b>(2.39)</b>	<b>0.02</b>	<b>109.10</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 17 : INCOME TAX LIABILITIES (NET) - CURRENT\*

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Wealth tax (net of advances)	0.29	0.29
Income tax (net of advances)	429.84	228.31
	<b>430.13</b>	<b>228.60</b>

### Note 18 : INCOME TAX ASSETS (NET) - NON-CURRENT\*

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Income tax paid including TDS (Net of provisions)	355.23	339.73
Wealth tax (net of provisions)	0.02	0.02
	<b>355.25</b>	<b>339.75</b>

\*The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities. Refer also note 31 for details of contingent liabilities and litigations.

### Note 19 : OTHER LIABILITIES

(₹ in Crores)

Particulars	31.03.2023		31.03.2022	
	Non-current	Current	Non-current	Current
Deposit - STT (Refer note 6.1)	5.41	-	5.41	-
Securities Transaction Tax payable	-	228.32	-	2,123.90
Statutory dues payable	-	445.93	-	343.39
Advance from customers	-	93.33	-	66.16
Contribution payable to Core SGF (Refer note 43)	-	199.45	-	-
Unspent Corporate Social Responsibility	-	31.12	-	-
Others	-	569.99	-	268.19
<b>Total</b>	<b>5.41</b>	<b>1,568.14</b>	<b>5.41</b>	<b>2,801.64</b>

### Note 20 : DEPOSITS - CURRENT

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Deposits from trading members	967.71	957.99
Deposits from applicants for membership	0.46	0.46
Deposits from mutual fund distributors	0.95	1.32
Deposits towards equipments	4.13	9.95
Deposit - listing & book building	110.19	116.46
<b>Total</b>	<b>1,083.44</b>	<b>1,086.18</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 21 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
<b>Revenue from contracts with customers :</b>				
<b><u>Trading services</u></b>				
Transaction charges		10,172.73		6,965.10
<b><u>Listing services</u></b>				
Listing fees	108.27		101.77	
Book building Fees	35.68		50.57	
Processing fees	35.71	179.66	31.40	183.74
<b><u>Colocation charges</u></b>		613.42		432.62
<b><u>Others</u></b>		156.29		134.70
<b>Total (Refer note 21.1)</b>		<b>11,122.10</b>		<b>7,716.16</b>
<b>Other operating revenues :</b>				
Income on investments (Refer note 21.2)	58.93	58.93	46.64	46.64
<b>Total</b>		<b>11,181.03</b>		<b>7,762.80</b>
<b>Revenue Recognised</b>				
Point in time		10,387.32		7,173.15
Over the period of time		793.71		589.65
<b>Total</b>		<b>11,181.03</b>		<b>7,762.80</b>

#### 21.1 Reconciliation of revenue recognised with contract price :

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Contract Price	11,134.49	7,754.66
Adjustments for contract liabilities	(12.39)	(38.50)
<b>Revenue from contracts with customers</b>	<b>11,122.10</b>	<b>7,716.16</b>

21.2 Represents income generated from sources of funds related to operating activity of the Company.

## Notes to the financial statements for the year ended March 31, 2023

### Note 22 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Dividend income</b>		
- from equity investments designated at FVOCI	0.39	0.39
- from subsidiary companies	833.28	220.53
- from other investments	4.80	4.80
Interest income from financial assets at amortised cost	227.58	122.12
Interest income from financial assets designated at FVOCI	114.86	55.65
Rental income	8.29	10.41
Miscellaneous income	14.76	14.35
	<b>1,203.96</b>	<b>428.25</b>
<b>Other gains/(losses)</b>		
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	216.91	139.51
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	90.29	53.78
Net foreign exchange gains	0.00	0.05
Net gain on disposal of property, plant and equipment	-	0.21
	<b>307.20</b>	<b>193.55</b>
<b>Total other income</b>	<b>1,511.16</b>	<b>621.80</b>

### Note 23 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Salaries, wages and bonus	247.53	249.92
Contribution to provident and other fund (Refer note 26)	9.10	7.89
Gratuity (Refer note 26)	5.23	4.17
Staff welfare expenses	18.74	12.30
<b>Total</b>	<b>280.60</b>	<b>274.28</b>

## Notes to the financial statements for the year ended March 31, 2023

### Note 24 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Repairs & maintenance		
- To computers, trading & telecommunication systems	297.56	202.24
- To buildings	3.84	4.21
- To others	17.08	16.37
SEBI regulatory fees	476.61	219.07
License fees for index	158.05	88.09
IT management and consultancy charges	62.15	50.49
Software expenses	148.59	119.12
Network infrastructure management charges	6.78	6.77
Lease line charges	54.84	55.23
Water and electricity charges	53.06	37.96
Rates and taxes	6.29	6.42
Directors' sitting fees	0.65	0.62
Legal and professional fees	71.66	58.86
Advertisement and publicity	12.88	29.84
Travel and conveyance	8.24	10.19
Corporate Social Responsibility expenditure (Refer note 34)	62.25	35.86
(Reversal) / Contribution to Investor protection fund trust (Refer note 24.1 & 42)	(24.57)	155.65
Investor education expenses	16.57	7.79
SMS & Email charges	45.41	66.39
Payment to auditors (Refer note below)	0.98	1.02
Penalty - SEBI [Refer note 31(i)(a)]	100.00	-
(Reversal) of Impairment losses on financial assets (Refer note 7.2)	(13.77)	-
Intangible assets / assets under development w/off (Refer note 3.5)	60.81	-
Other expenses	147.85	116.36
<b>Total</b>	<b>1,773.81</b>	<b>1,288.55</b>
<b>Note :</b>		
<b>Payment to auditors</b>		
<b>As auditors :</b>		
Audit fees	0.60	0.60
Limited review	0.30	0.30
<b>In other capacities</b>		
Certification matters	0.04	0.05
Other services	0.04	0.07
<b>Total</b>	<b>0.98</b>	<b>1.02</b>

24.1 It also includes contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation, which amounts to 3% of listing fees income.

## Notes to the financial statements for the year ended March 31, 2023

### Note 25 : EARNINGS PER SHARE

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Profit attributable to the equity holders of the company used in calculating basic earnings per share and diluted earnings per share		
Profit for the year (₹ in crores)	7,232.90	4,621.11
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (No. in Crores) (Refer note 25.1)	49.50	49.50
<b>Earnings per equity share (basic and diluted)</b>	<b>146.12</b>	<b>93.36</b>

25.1 The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

### Note 26 :

Disclosure under Indian Accounting Standard 19 (Ind AS 19) on Employee Benefit as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016.

#### i) Defined contribution plan

The Company's contribution towards superannuation fund during the year ended March 31, 2023 amounting to ₹1.03 Crore (March 31, 2022: ₹1.26 Crore) has been charged to Statement of Profit & Loss [Reimbursement of cost charged to subsidiaries was - March 31, 2023: ₹0.43 crore (March 31, 2022: ₹0.40 crore)].

#### (a) Provident fund:

During the current year, the Company is registered with Regional Provident Fund Office, Bandra, Mumbai, and both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. There was shortfall of ₹0.24 crores as of March 31, 2022 which was duly provided. The Company has contributed ₹7.70 Crore and ₹6.31 Crore towards Provident Fund during the year ended March 31, 2023 and year ended March 31, 2022, respectively. The contribution of ₹0.62 Crore during the year ended March 31, 2023 and ₹1.15 Crore during the year ended March 31, 2022 was reimbursed by the subsidiaries.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	31.03.2023	31.03.2022*
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels		
c. Discount Rate		
d. Attrition Rate		
e. Weighted Average Yield	NA	NA
f. Weighted Average YTM		
g. Reinvestment Period on Maturity		
h. Mortality Rate		
i. Total PF assets as on date of valuation (₹ in Crores)	-	128.50

\* The Corpus of the provident fund of the employees was being managed by the National Stock Exchange of India Limited Employee Provident Fund Trust ("EPF Trust") which was registered with the Employees Provident Fund Organisation (EPFO) and exempted under the Employees Provident Fund Scheme 1952. The Board of directors of the Company in its meeting held on October 29, 2021 resolved to transfer the provident fund management and administration to the Employees Provident Fund Office ("EPFO") effective April 1, 2022. Accordingly, the Company and EPF Trust have transferred the entire corpus standing to the credit of EPF Trust including the required fund to meet the obligation in April 2022. This does not have material impact

## Notes to the financial statements for the year ended March 31, 2023

on the Company's financial statements. Accordingly, provident fund is disclosed under defined contribution plan for the year ended March 31, 2023.

### (b) Gratuity :

The Company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

### A Balance Sheet

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the years are as follows:

(₹ in Crores)

Particulars	31.03.2023		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	<b>52.84</b>	<b>(51.08)</b>	<b>1.76</b>
Current service Cost	5.25	-	5.25
Interest cost / (income)	3.61	(3.48)	0.13
Expenses recognised in the Statement of Profit & Loss *	<b>8.86</b>	<b>(3.48)</b>	<b>5.38</b>
<b>Remeasurements</b>			
Expected return on plan assets	-	(0.20)	(0.20)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.61)	-	(1.61)
Actuarial (gains)/losses on obligations - due to experience	0.67	-	0.67
Net (income)/expense for the year recognised in OCI #	<b>(0.94)</b>	<b>(0.20)</b>	<b>(1.14)</b>
Employer Contributions	-	(3.82)	(3.82)
Liability / (Asset) transferred	(4.28)	-	(4.28)
Benefits paid	(7.15)	7.15	-
<b>At the end of the year</b>	<b>49.33</b>	<b>(51.43)</b>	<b>(2.10)</b>

\*Includes ₹0.15 Crores charged to the subsidiaries.

#Includes ₹0.03 Crores charged to the subsidiaries.

## Notes to the financial statements for the year ended March 31, 2023

(₹ in Crores)

Particulars	31.03.2022		
	Present Value of Obligation	Fair Value of Plan Assets	Total
<b>At the beginning of the year</b>	<b>50.22</b>	<b>(49.04)</b>	<b>1.18</b>
Current service Cost	4.38	-	4.38
Interest cost / (income)	3.26	(3.18)	0.08
Expenses recognised in the Statement of Profit & Loss *	<b>7.64</b>	<b>(3.18)</b>	<b>4.46</b>
<b>Remeasurements</b>			
Expected return on plan assets	-	(0.78)	(0.78)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	0.03	-	0.03
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.12)	-	(1.12)
Actuarial (gains)/losses on obligations - due to experience	3.18	-	3.18
Net (income)/expense for the year recognised in OCI #	<b>2.09</b>	<b>(0.78)</b>	<b>1.31</b>
Employer Contributions	-	(5.51)	(5.51)
Liability transferred	0.32	-	0.32
Benefits paid	(7.43)	7.43	-
<b>At the end of the year</b>	<b>52.84</b>	<b>(51.08)</b>	<b>1.76</b>

\*Includes ₹0.53 Crores charged to the subsidiaries.

# Includes ₹(0.16) Crores charged to the subsidiaries.

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Fair value of plan assets as at the end of the year	51.43	51.08
Liability as at the end of the year	(49.33)	(52.84)
<b>Net (liability) / asset</b>	<b>2.10</b>	<b>(1.76)</b>

(iii) Significant actuarial assumptions are as follows:

Particulars	31.03.2023	31.03.2022
Discount rate	7.39%	6.84%
Rate of return on plan assets	7.39%	6.84%
Salary escalation	10.00%	10.00%
Attrition rate	12.00%	12.00%

## Notes to the financial statements for the year ended March 31, 2023

### (iv) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Projected benefit obligation on current assumptions	49.33	52.84
Delta effect of +1% change in rate of discounting	(2.69)	(2.95)
Delta effect of -1% change in rate of discounting	3.00	3.32
Delta effect of +1% change in salary increase	2.90	3.19
Delta effect of -1% change in salary increase	(2.65)	(2.90)
Delta effect of +1% change in employee turnover	(0.51)	(0.64)
Delta effect of -1% change in employee turnover	0.56	0.71

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

### (v) The expected maturity analysis of undiscounted gratuity defined benefits is as follows:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
1st Following Year	5.06	6.90
2nd Following Year	4.90	4.87
3rd Following Year	5.01	5.07
4th Following Year	7.23	4.92
5th Following Year	5.30	7.47
Sum of Years 6 to 10	23.37	22.60

(vi) Expected contribution to gratuity plan for the year ending March 31, 2024 are ₹3.38 Crore.

### NOTE 27 :

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 statements has disclosed the segment information as to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

## Notes to the financial statements for the year ended March 31, 2023

### NOTE 28 :

#### (i) Fair Value Hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2023	Notes	Level 1	Level 2	Level 3	Total March 31, 2023
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	7	5,252.21	-	-	5,252.21
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4, 7, 9	-	2,850.76	-	2,850.76
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	112.78	112.78
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.76	-	-	0.76
<b>Total Financial Assets</b>		<b>5,252.97</b>	<b>2,850.76</b>	<b>112.78</b>	<b>8,216.51</b>

(₹ in Crores)

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2022	Notes	Level 1	Level 2	Level 3	Total March 31, 2022
<b>Financial Assets</b>					
<b>Financial Investments at FVPL</b>					
Mutual Fund - Growth Plan	7	5,929.45	-	-	5,929.45
<b>Financial Investments at FVOCI</b>					
Debt Instrument at FVOCI - Government Securities	4, 7	-	1,831.71	-	1,831.71
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	119.87	119.87
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.71	-	-	0.71
<b>Total Financial Assets</b>		<b>5,930.16</b>	<b>1,831.71</b>	<b>119.87</b>	<b>7,881.74</b>

## Notes to the financial statements for the year ended March 31, 2023

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

**- Level 1:**

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges are valued using the closing price as at the end of the reporting period. Listed Mutual Funds are valued using the closing quoted NAV.

**- Level 2:**

The fair value of financial instruments that are not traded in an active market (for example, government securities is determined using Financial Benchmarks India Private Limited valuation techniques which maximise the use of observable market data, fixed maturity plan based on NAV declared by the fund) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**- Level 3:**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

- There were no transfers between levels during the year ended March 31, 2023 and March 31, 2022.

**ii) Valuation technique used to determine fair value :**

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments

- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple, as applicable.

**(iii) Fair value measurements using significant unobservable inputs (level 3)**

- The following table presents the changes in level 3 items for the periods ended 31 March, 2023 and 31 March, 2022

(₹ in Crores)

Particulars	Unlisted Equity security
As at April 1, 2021	66.65
Gain / (loss) recognised in Other Comprehensive Income	(6.33)
As at March 31, 2022	60.32
Gain / (loss) recognised in Other Comprehensive Income	(7.09)
As at March 31, 2023	53.23

## Notes to the financial statements for the year ended March 31, 2023

### (iv) Valuation inputs and relationships to fair value :

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

Particulars	Fair Value	Fair Value	Significant Unobservable inputs*	Fair Value	Fair Value
	31.03.2023	31.03.2022		31.03.2023	31.03.2022
Unquoted Equity Shares - NCDEX (₹ in crores)	112.78	119.87	P/B Multiple	5.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.0x	2.0x
			Liquidity Discount	20%	20%
			Applicable P/B Multiple	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹ In Crores)	469.92	499.45
			Equity valuation of NCDEX (₹ in Crores)	751.87	799.12
			Valuation of 15% stake (₹ in Crores)	112.78	119.87

\* There were no significant inter relationship between unobservable inputs that materially affect fair value

### (v) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every three months, in line with the reporting periods. At the year end external valuers are engaged to provide independent valuation of level 3 instruments.

### vi) Fair value of financial assets and liabilities measured at amortised cost :

(₹ in Crores)

	31.03.2023		31.03.2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Taxable Bonds	1,019.41	996.02	780.23	788.01
Tax free Bonds	573.32	606.13	674.07	735.59
Certificate of Deposits	3,779.67	3,777.90	762.42	765.71
Fixed Deposits with Banks including accrued interest	1,442.20	1,443.48	1,076.01	942.55
Commercial Papers	99.09	98.99	-	-
Deposits with financial institutions	-	-	115.38	115.52
Security Deposits	7.41	7.41	3.33	3.33
<b>Total Financial Assets</b>	<b>6,921.10</b>	<b>6,929.93</b>	<b>3,411.44</b>	<b>3,350.71</b>

The carrying amounts of trade receivables, trade payables, other receivables, cash and cash equivalent including other current bank balances and other liabilities are considered to be approximate their fair values, due to current and short term nature of such balances.

The fair value of taxable bonds, tax free bonds, certificate of deposits with banks, fixed deposits, deposits with financial institutions, commercial papers, treasury bills and security deposit are based on discounted cash flow.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

## Notes to the financial statements for the year ended March 31, 2023

### Note 29 :

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

#### (a) Names of the related parties and related party relationships

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	NSE Clearing Limited	Subsidiary Company	Clearing and Settlement	100% (FY 21-22 : 100%)
2	NSE Investments Ltd	Subsidiary Company	Investment Entity	100% (FY 21-22 : 100%)
3	NSE IFSC Limited	Subsidiary Company	Trading Facility	100% (FY 21-22 : 100%)
4	NSE IFSC Clearing Corporation Limited	Subsidiary's Subsidiary Company	Clearing and Settlement	100% (FY 21-22 : 100%)
5	NSEIT Limited	Subsidiary's Subsidiary Company	IT Services	100% (FY 21-22 : 100%)
6	NSE Data & Analytics Limited	Subsidiary's Subsidiary Company	Data Vending	100% (FY 21-22 : 100%)
7	NSE Indices Ltd	Subsidiary's Subsidiary Company	Index Services	100% (FY 21-22 : 100%)
8	NSE Infotech Services Limited	Subsidiary's Subsidiary Company	IT Services	100% (FY 21-22 : 100%)
9	NSEIT (US) Inc.*	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100% (FY 21-22 : 100%)
10	Aujas Cybersecurity Limited	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100% (FY 21-22 : 99.29%)
11	NSE Academy Limited	Subsidiary's Subsidiary Company	Financial Literacy Programme	100% (FY 21-22 : 100%)
12	NSE Foundation	Subsidiary Company	CSR Activities	76% (FY 21-22 : 76%)
13	National Securities Depository Limited	Associate Company	Depository Services	24% (FY 21-22 : 24%)
14	NSDL Database Management Limited	Associate's Subsidiary Company	Data Vending	
15	BFSI Sector Skill Council of India	Associate Company	Skill Council	49% (FY 21-22 : 49%)
16	Power Exchange India Limited	Subsidiary's Associate	Trading Facility in power	29.21% (FY 21-22 : 30.95%)
17	Protean e-Governance Technologies Limited	Subsidiary's Associate	E-Governance Solutions	25.05% (FY 21-22 : 25.05%)
18	Market Simplified India Limited	Subsidiary's Associate	Software Industry	30% (FY 21-22 : 30%)
19	Receivables Exchange Of India Limited	Subsidiary's Associate	Online Platform for financing receivables (TReDS)	30% (FY 21-22 : 30%)
20	Cogencis Information Services Limited	Subsidiary's Subsidiary's Subsidiary Company	Data Terminal	100% (FY 21-22 : 100%)
21	Capital Quants Solutions Private Limited	Subsidiary's Subsidiary's Associate	Data processing	17% (FY 21-22 : 17%)
22	Talentsprint Private Limited	Subsidiary's Subsidiary's Subsidiary Company	Financial Literacy Programme	80.82% (FY 21-22 : 70%)

## Notes to the financial statements for the year ended March 31, 2023

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
23	Talentsprint Inc.	Subsidiary's Subsidiary's Subsidiary's Subsidiary Company	Financial Literacy Programme	100% (FY 21-22 : 100%)
24	Indian Gas Exchange Limited	Subsidiary's Associate	Gas Exchange	25.61% (FY 21-22 : 26%)
25	CXIO Technologies Private Limited	Subsidiary's Subsidiary's Subsidiary Company	IT Services	92.50% (FY 21-22 : 60%)
26	India International Bullion Holding IFSC Ltd	"Associate Company	Investment Entity	20% (FY 21-22 : 20%)
27	India International Bullion Exchange IFSC Ltd	Associate's Subsidiary Company	Bullion Exchange	20% (FY 21-22 : 20%)
	<b>Key Management Personnel</b>	<b>Nature of Relationship</b>		
28	Shri Ashishkumar Chauhan	Managing Director & CEO (w.e.f. July 26, 2022)		
29	Shri Vikram Limaye	Managing Director & CEO (upto July 16, 2022)		
30	Shri Girish Chandra Chaturvedi	Chairman & Public Interest Director		
31	Shri Sundararajao Sudarshan	Public Interest Director		
32	Shri Narsimha Murthy Kummamuri	Public Interest Director		
33	Smt. Mona Bhide	Public Interest Director		
34	Shri Veneet Nayar	Shareholder Director		
35	Shri Bishnu Charan	Shareholder Director (w.e.f. September 8, 2022)		
36	Shri S Ravindran	Public Interest Director (w.e.f. December 17, 2022)		
37	Smt. Anuradha Rao	Public Interest Director (upto December 16, 2022)		
38	Shri Prakash Parthasarathy	Shareholder Director (upto August 30, 2021)		
39	Smt. Sunita Sharma	Shareholder Director (upto July 12, 2022)		

\* The principal place of business of NSEIT (US) Inc and Talentsprint Inc is located in US.

Other Related parties with whom there were transaction during the year

### (b) Details of transactions (including service tax / GST as levied) with related parties are as follows :

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE Clearing Limited	Usage charges received	25.13	25.22
	Usage charges paid for interoperability	1.66	1.66
	Space and Infrastructure usage charges received	4.45	5.37
	Recovery of Electronic Bidding Platform income	0.84	0.86
	Reimbursement received for expenses on staff on deputation	6.60	15.58
	Reimbursement received for other expenses incurred	71.50	58.20
	Reimbursement paid for CAMS Charges	0.11	0.08
	Dividend received	180.00	45.00
	Clearing and Settlement charges paid	710.92	487.43
	Contribution to Core SGF (Refer note 43)	4.00	-
	Closing balance (Payable)/Receivable	(44.11)	(34.43)

## Notes to the financial statements for the year ended March 31, 2023

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE IFSC Limited	Reimbursement received for expenses on staff on deputation	1.39	1.91
	Subscription of Equity share capital	50.00	85.00
	Usage charges received	0.50	0.50
	Reimbursement received for other expenses incurred	0.27	0.01
	Sale of assets	1.41	0.84
	Closing balance (Payable)/Receivable	0.48	0.33

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE IFSC Clearing Corporation Limited [Refer note: 31(i)(j)]	Reimbursement received for expenses on staff on deputation	0.02	0.04
	Reimbursement received for other expenses incurred	0.01	-
	Closing balance (Payable)/Receivable	(0.05)	(0.05)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSEIT Limited	Reimbursement received for other expenses incurred	0.20	0.12
	Software Development Charges paid	1.51	2.03
	Software Expenses	4.11	5.50
	Repairs and maintenance – Computer trading , Telecommunication systems	88.61	62.98
	Empanelment charges received	0.06	0.06
	Laptop hire charges paid	0.08	0.22
	IT management and consultancy charges paid	23.18	19.82
	Space & Infra charges paid	1.48	1.54
	Closing balance (Payable)/Receivable	(22.39)	(10.73)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE Data & Analytics Limited	Space and Infrastructure usage charges received	1.00	1.14
	Reimbursement received for expenses on staff on deputation	2.99	5.64
	Reimbursement received for other expenses incurred	0.71	0.54
	Sale of asset	0.72	-
	Amount received towards revenue sharing on account of info feed services	45.20	37.06
	Subscription fees paid for bond valuation data & historical data & KYC	2.05	1.85
	Closing balance (Payable)/Receivable	6.87	6.70

## Notes to the financial statements for the year ended March 31, 2023

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE Indices Limited	License fees paid	186.46	102.39
	Data Subscription fees paid	-	0.05
	Usage Charges received	0.89	0.89
	Space and Infrastructure usage charges received	0.66	0.68
	Reimbursement received for expenses on staff on deputation	1.11	4.59
	Reimbursement received for other expenses incurred	0.60	0.37
	Closing balance (Payable)/Receivable	(19.41)	(12.22)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE Infotech Services Limited	Closing balance (Payable)/Receivable	-	0.01

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE Investments Limited	Space and Infrastructure usage charges received	0.08	0.11
	Dividend Received	653.28	175.53
	Reimbursement received for expenses on staff on deputation	1.65	1.84
	Reimbursement received for other expenses incurred	0.44	0.05
	Closing balance (Payable)/Receivable	0.48	0.69

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE Academy Limited	Reimbursement received for expenses on staff on deputation	2.83	5.21
	Payment of NISM income received on their behalf	14.21	9.96
	Reimbursement received for other expenses incurred	0.76	0.66
	Reimbursement paid for other expenses	0.17	0.19
	Space and Infrastructure usage charges received	1.53	1.18
	Closing balance (Payable)/Receivable	(0.67)	0.44

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
NSE Foundation	Space and Infrastructure usage charges received	0.18	0.20
	Reimbursement received for expenses on staff on deputation	1.82	1.66
	Reimbursement received for other expenses incurred	0.15	0.11
	Contribution towards CSR	31.12	35.86
	Closing balance (Payable)/Receivable	0.53	0.45

## Notes to the financial statements for the year ended March 31, 2023

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
National Securities Depository Limited	Dividend received	4.80	4.80
	DP Validation Charges paid	0.72	3.00
	STP Charges Received	0.01	0.03
	Sitting Fees Received	0.07	0.05
	Closing balance (Payable)/Receivable	(0.58)	(0.54)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
Protean e-Governance Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited)	PAN verification charges paid	0.45	0.60
	Closing balance (Payable)/Receivable	-	-

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
Aujas Cybersecurity Limited	IT management and consultancy charges paid	3.05	3.58
	Software Expenses	7.69	7.77
	Repairs and maintenance – Computer trading , Telecommunication systems	11.78	7.83
	Reimbursement of expenses paid	0.09	0.15
	Closing balance (Payable)/Receivable	(4.93)	(2.50)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
Cogencis Information Services Limited	Data feed charges paid	0.12	0.10
	Space & Infra charges paid	1.46	0.23
	Reimbursement of expenses received	-	0.03
	Closing balance (Payable)/Receivable	(0.19)	(0.03)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
Receivables Exchange Of India Limited	Reimbursement received for expenses on staff on deputation	-	-
	Closing balance (Payable)/Receivable	0.19	0.27

## Notes to the financial statements for the year ended March 31, 2023

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
India International Bullion Holding IFSC Ltd	Subscription of Equity share capital	10.00	20.00
	Reimbursement of Expenses Received	-	0.02
	Closing balance (Payable)/Receivable	-	0.02

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
India International Bullion Exchange IFSC Ltd	Reimbursement of Expenses Received	0.10	0.14
	Closing balance (Payable)/Receivable	-	-

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
Shri Ashishkumar Chauhan (w.e.f. July 26, 2022)	Short-term employee benefits	5.30	-
	Post-employment benefits (Refer note 29.1)	0.35	-
	Total Remuneration	5.65	-

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
Shri Vikram Limaye (upto July 16, 2022)	Short-term employee benefits	6.26	10.10
	Post-employment benefits (Refer note 29.1)	0.10	0.30
	Long-term employee benefits (Refer note 29.2)	1.68	1.42
	Termination Benefits	1.15	-
	Total Remuneration	9.19	11.82

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2023	Year ended 31.03.2022
Key Management Personnel	Sitting Fees Paid to Directors	2.62	2.74

29.1 As the liabilities for defined benefit plan are provide on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

29.2 includes 50% of the variable pay payable after 3 years subject to certain conditions.

29.3 All related parties transaction enter during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

29.4 Other than as disclosed in note 31(i)(j) there have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2023, and March 31, 2022.

## Notes to the financial statements for the year ended March 31, 2023

### Note 30 : CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	255.91	136.13
Other Commitments (Primarily in respect of operating expenses)	707.79	296.42
Investment Commitment in subsidiary	100.00	-

### Note 31 : CONTINGENT LIABILITIES AND OTHER REGULATORY MATTERS

(i) (a) 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. 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 ₹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 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 ₹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 ₹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.

## Notes to the financial statements for the year ended March 31, 2023

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 ₹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. This said penalty amount is to be adjusted by SEBI against the disgorgement amount already deposited by NSE, which is to be refunded by SEBI within six weeks along with interest.

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 ₹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 ₹300 Crores was received by NSE on April 21, 2023. The returnable date for the matter would be in the month of September 2023.

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 Fibre point to point connectivity and Governance and conflict of interest matters. 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 statements as of and for the year ended March 31, 2023, and March 31, 2022.

- (b) 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. 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 ₹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.
- (c) SEBI issued an Adjudication Show Cause Notice on July 31, 2020, with respect to investments made by NSE and its subsidiary in certain entities alleging that the investments made by NSE were in activities that were unrelated and non-incident to its activities as a stock exchange. SEBI subsequently after detailed hearing in its order dated October 01, 2020, levied a penalty of ₹6 Crore on NSE (₹1 Crore for each of the investments made by NSE and its subsidiaries). NSE had preferred an appeal against the SEBI order challenging the findings and the said penalty levied by SEBI. SAT had stayed the effect and operation of the order during the pendency of the appeal. During the year ended March 31, 2022, SAT vide its order dated January 04, 2022, quashed the Adjudicating Notice including the penalty levied by the Adjudication Order. SEBI preferred an appeal before the Supreme Court against the SAT order and the matter is pending for hearing.
- (d) 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 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 crores. The Company preferred an appeal against the SEBI order and SAT vide its interim order has stayed the SEBI directive. 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 statements as of and for the year ended March 31, 2023 and March 31, 2022.
- (e) 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 had submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021, directed NSE to pay financial

## Notes to the financial statements for the year ended March 31, 2023

disincentive of ₹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 detail response was filed by the Company. In this regard, the Company has taken necessary remedial actions and has filed consent application with SEBI on August 31, 2021 and September 3, 2021, respectively, against which, during the year, preliminary hearing on maintainability of the said consent application had taken place and the Company has filed revised consent terms on March 19, 2023. The revised consent application is under review with relevant authority at SEBI. 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 as of and for the year ended March 31, 2023.

- (f) The Company has received various correspondences on matters relating to operations of the Company, including inspections from SEBI which have been replied to by the Company. Basis the replies filed, the Company's management do not expect any material impact on the financial statements of the Company.
- (g) In a complaint filed by a competitor against the Company, the Competition Commission of India directed the Company to pay a penalty of ₹55.50 crores (March 31, 2021: ₹55.50 crores). The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has thereafter appealed before the Hon'ble Supreme Court of India, which stayed the penalty. In respect of the same subject matter, a separate compensation claim has been filed against the Company in January 2015 amounting to ₹856.99 crores, which has been disputed by the Company. The Compensation proceedings are also stayed by the Hon'ble Supreme Court of India. Based on the legal advice, the Company is of the view that there exist strong grounds in the appeal filed by the Company before the Hon'ble Supreme Court. In view of the same no provision has been made in respect of penalty and compensation claimed in these financial statements.
- (h) A criminal writ petition has been filed by clients of the Anugrah Stock and Broking Ltd (Defaulted Member) before the Hon'ble High Court of Bombay, seeking investigation by a special investigating team (SIT) in to alleged wrong doing, cheating, fraud, breach of trust committed upon the public at large, by NSE, BSE Ltd, NCL, Defaulted Member and its officers, Teji Mandi and its officers and Edelweiss Custodial Services Pvt Ltd (ECL) in collusion with each other. The matter is currently pending before the High Court of Bombay. Based on the opinion of the legal counsel, the Company is of the view that there exists strong grounds to contest the above writ petition filed against the Company. In view of the same, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2023 and March 31, 2022.
- (i) 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. 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 statements as of and for the year ended March 31, 2023.
- (j) 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. During the quarter ended September 30, 2022, NSE IFSC CC Limited has availed

## Notes to the financial statements for the year ended March 31, 2023

Bank Guarantee facility from Standard Chartered Bank to the tune of USD 20 million (₹163.10 crore), in respect of this the Company has provided corporate guarantee to the Standard Chartered Bank and its outstanding as at the year end.

Based on the legal opinion/advice received, the Company is of the view that the above matters are not likely to have any material impact on the financial statements of the Company.

(ii) Other contingent liabilities include disputed demand on account of the following:

- (a) Income Tax: ₹499.93 Crores (March 31, 2022: ₹474.89 Crores) along with interest thereon.
- (b) Wealth Tax: ₹0.09 Crores (March 31, 2022: ₹0.09 Crores). Wealth Tax liability includes ₹0.02 Crores (March 31, 2022: ₹0.02 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court.
- (c) Service Tax, GST & MVAT: ₹78.40 crores (March 31, 2021: ₹77.91 crores) along with penalty thereon.
- (d) Bank guarantees ₹1 crore (March 31, 2022 : ₹1 crore)

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, as applicable, in its financial statements as described above. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements as at March 31, 2023.

(iii) Other claims against the company not acknowledged as debts amounts to : ₹6.54 Crores (March 31, 2022 : ₹8.55 Crores).

### 32 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Trade Payables includes ₹1.30 Crores (March 31, 2022: ₹2.21 Crores) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows.

(₹ in Crores)

Description	31-Mar-23	31-Mar-22
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.30	2.21
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest Accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

## Notes to the financial statements for the year ended March 31, 2023

**33** On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of “Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal’ in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. The Employees’ Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter. The Company has given effect to this judgment with effect from April 1, 2019. In Company’s assessment, this did not have a significant impact on its financial statements.

### 34 DISCLOSURE IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE (₹ in Crores)

	31.03.2023	31.03.2022
Contribution to NSE Foundation (Refer note below)	31.12	35.86
<b>Total</b>	<b>31.12</b>	<b>35.86</b>
Amount required to be spent during the year as per section 135 of the Act	62.25	35.86
Amount spent during the year on		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	31.12	35.86
Shortfall for the year (Refer note 34.1)	31.13	-
Cumulative shortfall at the end of the year	31.13	-

#### Details of ongoing CSR projects under section 135(6) of the Act (₹ in Crores)

Balance as at April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In separate CSR unspent account		From the Company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account (Refer note 34.1)
-	-	62.25	31.12	-	-	31.13

#### Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects (₹ in Crores)

Balance unspent as at April 1, 2022	Amount deposited in specified schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	-	-	-

#### Details of excess CSR expenditure under Section 135(5) of the Act (₹ in Crores)

Balance excess spent as at April 1, 2022	Amount required to be spent during the year	Amount required to be spent during the year	Balance excess spent as at March 31, 2023
-	-	-	-

**Nature of CSR Activities:** NSE Foundation, a group company undertakes the following CSR activities which includes Primary Education, Sanitation and Safe Drinking Water, Elder Care, Skill Development And Entrepreneurship, Environment Sustainability, Health and Nutrition, Disaster Relief and Rehabilitation, Incubation, Environmental Sustainability.

34.1 The Company has transferred the unspent CSR amount to a separate bank account (Refer note 10.1)

## Notes to the financial statements for the year ended March 31, 2023

### 35 LEASE

#### (i) Amounts recognised in balance sheet

The balance sheet includes the following amount relating to leases:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Right-of-use-assets</b>		
Land	76.10	73.42
Buildings	99.87	64.59
<b>Total</b>	<b>175.97</b>	<b>138.00</b>

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Lease liabilities</b>		
Current	22.93	8.70
Non Current	101.93	74.02
<b>Total</b>	<b>124.86</b>	<b>82.72</b>

#### (ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amount relating to leases:

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
<b>Depreciation charge of Right-of-use assets</b>		
Buildings	10.52	7.94
Land	1.30	1.30
Plant & Equipment	0.57	-
<b>Total</b>	<b>12.39</b>	<b>9.24</b>

(₹ in Crores)

Particulars	31.03.2023	31.03.2022
Interest expenses	7.85	6.66
<b>Total</b>	<b>7.85</b>	<b>6.66</b>

#### (iii) Extension and termination options

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

#### (iv) Net debt reconciliation

This section sets out an analysis of net debt and the movements in the net debt for each of the periods presented.

(₹ in Crores)

Particulars	Lease obligations
<b>Net debt as on April 1, 2021</b>	<b>33.47</b>
Add: Addition to leases	53.64
Add: Interest expense	6.66
Less: Cash flows	(11.05)
<b>Net debt as at March 31, 2022</b>	<b>82.72</b>
Add: Addition to leases	50.36
Add: Interest expense	7.85
Less: Cash flows	(16.06)
<b>Net debt as at March 31, 2023</b>	<b>124.86</b>

## Notes to the financial statements for the year ended March 31, 2023

### NOTE 36 - OTHER EVENTS AFTER THE REPORTING PERIOD

(i) Dividend:

The Board of Directors have recommended the payment of final dividend of ₹80 per fully paid equity shares (FV ₹1 each) (March 31, 2022: ₹42 per fully paid equity share (FV ₹1 each)). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹3,960 Crores.

(ii) The Board of Directors in its meeting held on May 15, 2023 has decided to appropriate an amount of ₹6,583 crores from retained earnings to a separate reserve within equity towards adequate risk capital management.

### NOTE 37 - OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in Crores)

	Effects of offsetting on the balance			Related amount not offset	
	Gross Amount	Gross Amt Set off in the balance sheet	Net Amount presented in Balance sheet	Amounts subject to master netting arrangements	Financial Instrument Collateral (Member deposit)
<b>As at March 31, 2023</b>					
<u>Financial Assets</u>					
Trade Receivables	1,452.71	-	1,452.71	-	967.71
<b>As at 31.03.2022</b>					
<u>Financial Assets</u>					
Trade Receivables	1,294.87	-	1,294.87	-	957.99

### NOTE 38 - FAIR VALUE MEASUREMENTS

#### Financial Instruments by category

(₹ in Crores)

Particulars	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
<u>Investments</u>						
Equity Instruments	-	113.54	-	-	120.58	-
Taxable Bonds	-	-	1,019.41	-	-	780.23
Tax free Bonds	-	-	573.32	-	-	674.07
Certificate of Deposits	-	-	3,779.67	-	-	762.42
Fixed Deposits with Banks including accrued interest	-	-	1,442.20	-	-	1,076.01
Commercial Papers	-	-	99.09	-	-	-
Deposits with financial institutions	-	-	-	-	-	115.38
Government Securities	-	2,850.76	-	-	1,831.71	-
Mutual Funds	5,252.21	-	-	5,929.45	-	-
Trade Receivables	-	-	1,499.58	-	-	1,336.17
Cash and Cash equivalents including other bank balances (Refer note 10.1)	-	-	155.96	-	-	149.91
Security deposits	-	-	7.41	-	-	3.33
Other receivables	-	-	13.89	-	-	15.85
<b>Total financial assets</b>	<b>5,252.21</b>	<b>2,964.30</b>	<b>8,590.53</b>	<b>5,929.45</b>	<b>1,952.29</b>	<b>4,913.37</b>
<b>Financial liabilities</b>						
Deposits	-	-	1,083.44	-	-	1,086.18
Trade Payables	-	-	294.84	-	-	216.41
Other financial liabilities	-	-	452.77	-	-	557.96
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,831.05</b>	<b>-</b>	<b>-</b>	<b>1,860.55</b>

The Company had acquired certain equity instruments for the purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorised as FVOCI.

## Notes to the financial statements for the year ended March 31, 2023

### NOTE 39 - FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Treasury department to oversee that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial position from financial risks.
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on Company's generated funds and investments.

#### A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in the Company's cash flow could impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the years ended 31st March, 2023 and 31st March, 2022. Cash flows from operating and investing activities provides the funds to service the financing of liabilities on a day-to-day basis.

The Company's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operations, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing deposits, other marketable debt investments including government securities, mutual funds and exchange traded funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2023</b>				
Trade payables	294.84	294.84	-	294.84
Deposits	1,083.44	1,083.44	-	1,083.44
Lease liabilities	124.86	22.93	215.03	237.96
Other financial liabilities	452.77	436.42	16.35	452.77
<b>As at March 31, 2022</b>				
Trade payables	216.41	216.41	-	216.41
Deposits	1,086.18	1,086.18	-	1,086.18
Lease liabilities	82.72	8.70	187.29	195.99
Other financial liabilities	557.96	542.47	15.49	557.96

## Notes to the financial statements for the year ended March 31, 2023

### B MANAGEMENT OF MARKET RISK

The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

The above risks may affect the Company's income or the value of its financial instruments. The objective of the Company's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company's exposure to, and management of, these risks is explained below.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. PRICE RISK</b>		
<p>The Company is mainly exposed to the price risk due to its investment in mutual funds, exchange traded funds and investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments</p> <p>At 31st March 2023, the exposure to price risk due to investment in mutual funds amounted to ₹5,252.21 crores (March 31, 2022 : ₹,5929.45 crores).</p> <p>At 31st March 2023, the exposure to price risk due to investment in equity instruments amounted to ₹113.54 crores (March 31, 2022 : ₹120.58 crores).</p>	<p>In order to manage its price risk arising from investments in mutual funds, exchange traded funds and investments in equity instruments, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board.</p>	<p>As an estimation of the approximate impact of price risk, with respect to mutual funds, exchange traded funds and investments in equity instruments, the Company has calculated the impact as follows.</p> <p>For mutual funds, a 0.25% increase in prices would have led to approximately an additional ₹13.13 crores gain in the Statement of Profit and Loss (2021-22: ₹14.82 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹11.35 crores gain in the Statement of Profit and Loss (2021-22: ₹12.06 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<b>2. INTEREST RATE RISK</b>		
<p>The Company is mainly exposed to the interest rate risk due to its investment in government securities measured at FVOCI. The interest rate risk arises due to uncertainties about the future market interest rate which impacts the price of these investments.</p> <p>As at 31st March, 2023, the exposure to interest rate risk due to investment in government securities amounted to ₹2,850.76 crores (March 31, 2022: ₹1,831.71 crores).</p> <p>The Company invests in term deposits for a period ranging from 3 months to 3 years. The Company's investments are primarily in fixed rate bearing investments. Hence, the Company is not significantly exposed to interest rate risk.</p>	<p>In order to manage its interest rate risk arising from investments in government securities, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.</p> <p>The Treasury department maintains a list of approved financial instruments. The investment in any new instrument must be approved by the internal Investment Committee within the criterias approved by the Board.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 0.25% change in interest rates.</p> <p>A 0.25% increase in interest rates would have led to approximately an additional ₹24.35 crores loss in the Statement of Profit and Loss (2021-22: ₹12.29 crores loss). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

## Notes to the financial statements for the year ended March 31, 2023

### C MANAGEMENT OF CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.

#### Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the Company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables, supported by the level of default, the Company's assessment of credit risk is low. Accordingly, the provision for expected credit loss on trade receivable is not material as they are settled fairly quickly.

#### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks / financial institutions and investments in marketable debt investments including the government securities, mutual funds and exchange traded funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Treasury department. The Company's investments are primarily into AAA / AA high rating instruments and based on the historical experience of investee company, the Company's our assessment for credit risk is low. Accordingly, the provision for expected credit loss on other financial assets is not material

The Company's maximum exposure to credit risk as at March 31, 2023 and 2022 is the carrying value of each class of financial assets as disclosed in note 4, 5, 7, 8, 9 and 10.

### D CONCENTRATION RISK

The Company does not have any single customer / supplier which constitute more than 10% of the total trade receivables / trade payables balance as at March 31, 2023 and March 31, 2022.

### NOTE - 40 : CAPITAL MANAGEMENT

#### The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet, including retained profits, other reserves, share capital, share premium).

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In the current year ended March 31, 2023, the Company has appropriated an amount of ₹6,583 crores from retained earnings to a separate risk reserve within equity towards adequate risk capital management. This has been determined taking into consideration various factors and risks including market risk, credit risk, members default risk, operational risk, etc. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The Company's management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 11 (b) for the final dividend declared and paid.

#### Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Company shall have a minimum net worth of ₹100 crores at all times. The Company is in compliance with this requirement.

## Notes to the financial statements for the year ended March 31, 2023

### Note - 41 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

**(i) Details of Benami Property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company doesn't have any borrowings from banks and / or financial institutions.

**(iii) Willful Defaulter**

The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

**(iv) Relationship with struck off Companies**

The Company has no transactions with the companies struck off under the Companies Act, 2013.

**(v) Compliance with number of layer of Companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vii) Utilisation of Borrowed funds and Share premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(viii) Undisclosed Income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency of virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

**(xi) Title deeds of immovable properties not held in name of the company**

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in note no. 2 to the financial statements, are held in the name of the Company.

**(xii) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**(xiii) Core Investment Company (CIC)**

The Company has one subsidiary company namely NSE Investments Ltd which is a deemed CIC and is not required to be

## Notes to the financial statements for the year ended March 31, 2023

registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.

### (xiv) Loans or advances to specified persons

The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- (a) repayable on demand or
- (b) without specifying any terms or period for repayment

### (xv) Analytical Ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	3.31	2.07	60%	Due to increase in current investment and reduction in STT liability for the month of March 31, 2023 as the part payment was made on March 31, 2023.
Debt - Equity Ratio (in times)	Total debt (represents lease liability)	Shareholder's equity	0.01	0.01	5%	Not Applicable
Debt service coverage Ratio (in times)	Earnings available for debt service (Net profit after taxes + depreciation)	Debt service (interest and principal payments including lease payments)	469.19	441.58	6%	Not Applicable
Return on equity (%)	Profit for the year less preference dividend, if any	Average total equity	51%	47%	9%	Not Applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.89	7.15	10%	Not Applicable
Trade payables turnover ratio (in times)	Other expenses less depreciation including clearing & settlement charges	Average trade payables	9.60	8.69	10%	Not Applicable
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. current assets minus current liabilities)	1.56	1.90	-18%	Not Applicable
Net profit Ratio (%)	Net profit after tax	Revenue from operations	65%	60%	9%	Not Applicable
Return on capital employed (%)	Profit before tax and finance cost	Capital employed = Net worth + lease liabilities + deferred tax liabilities	56%	52%	7%	Not Applicable
Return on Investment (%)	Income generated from invested funds	Average invested funds in treasury investments	6%	5%	17%	Not Applicable

## Notes to the financial statements for the year ended March 31, 2023

- 42** NSE has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of a registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI comprehensively reviewed the existing framework and decided to augment IPF corpus to be ₹1,500 crores. The Company recognises a provision for contribution payable to IPF, which is estimated by assessing maximum amount which can be paid to the individual claimant as per the extent regulations. As on March 31, 2023, the corpus with the IPF was ₹1,596.76 crores. During the previous year, the Company had made payment of ₹118.20 crores and created provision of ₹32.25 crores aggregating ₹150.45 crores recognised as an expense. During the current year, the Company has assessed the adequacy of the IPF corpus vis a vis expected claims payable and has accordingly reversed the excess provision of ₹32.25 crores in the Statement of Profit and Loss.
- 43** The Board of Directors of the Company in their meeting on March 23, 2023, approved the voluntary contribution of ₹203.45 crores to the Core Settlement Guarantee Fund ("the Fund") to maintain corpus of the said Fund based on the assessment of the current trends in volumes and overall increase in market activities. This contribution has been determined at 2% of the transaction charges earned by the Company for the financial year ended March 31, 2023. Accordingly, the Company has recognised an expense of ₹203.45 Crores towards contribution to Core SGF, in the Statement of Profit and Loss. During the year ended March 31, 2023, the Company has paid ₹4 crores to the fund managed by NSE Clearing Limited ("NCL") and subsequently has also transferred the balance amount of ₹199.45 crores to the Fund managed by NCL on May 10, 2023.
- 44** In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2023, and March 31, 2022, for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2023, and March 31, 2022.
- 45** For the year ended March 31, 2023, and March 31, 2022, the Company is not required to transfer any amount to the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

### For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

#### Sumit Seth

Partner

Membership No.: 105869

Place : San Diego, United States of America

Date : May 15, 2023

#### Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

#### Yatrik Vin

Group CFO & Head Corporate Affairs

### For and on behalf of the Board of Directors

#### K. Narasimha Murthy

Director

[DIN: 00023046]

#### Ashishkumar Chauhan

Managing Director & CEO

[DIN: 00898469]

#### Rohit Gupte

Company Secretary



**Disclaimer**

This document contains statements about expected future events and financial and operating results of your Company, which are forward-looking. By their nature, forward-looking statements require your Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the industry analysis of the National Stock Exchange of India Limited Integrated Annual Report FY 2022-23.



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