



Redefining inclusive Indian
capital markets, inspiring
globally integrated markets



INTEGRATED
ANNUAL REPORT

2020-2021



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NSE. Indian origin. Global leader

NSE is an inspiring Indian success story comprising global best practices and excellence in one of the most dynamic spaces of technology-driven BFSI sector





NSE. The world's largest derivatives Exchange

An instance of pride for the country's vision, risk-taking, implementation capabilities, business management and technology competence

NSE. Established leadership among global exchanges in the volume of derivatives traded

A proud instance of an Indian technology-driven enterprise figuring among the largest exchanges in the world across various parameters

Exchange as a % of the global derivatives market (contracts traded)

21%

NSE

13%

B3 - Brasil Bolsa Balcão

11%

CME Group

5%

Dalian Commodity Exchange

5%

Korea Exchange

5%

Moscow Exchange

5%

Shanghai Futures Exchange

4%

Deutsche Boerse AG

4%

Nasdaq - US

4%

Zhengzhou
Commodity Exchange

3%

ICE Futures Europe

1%

NYSE

1%

Japan Exchange
Group

1%

Hong Kong Exchanges
and Clearing

1%

Singapore Exchange



**NSE. India's
premier
Exchange
and among
the world's
largest across
categories**

Largest derivative Exchange in the world in terms of contracts traded.

Largest Exchange of India, the world's sixth largest economy.

Second largest derivatives Exchange in the world in terms of currency futures traded.

Eighth largest Exchange in the world in terms of index futures contracts.

Fourth largest Exchange in the world in the capital market cash segment.

Eighth largest Exchange in the world in terms of interest rates options contracts traded.

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

Tenth largest Exchange in the world by contracts traded in long-term interest rate futures.

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

NSE. Continued to strengthen the Exchange in a challenging year

**6 January
2020**

Launched NSE Knowledge Hub, a portal for upskilling the BFSI industry (NSE Academy)

**21 August
2020**

Launched NSE-approved Refiner's Gold Bars conforming to BIS Standards

**2 December
2020**

Launched its first agricultural commodity futures contracts for Degummed Soy Oil

**January
2020**

Emerged as the largest Derivatives Exchange in the world for CY 2019 by number of contracts traded as per FIA statistics

**4 February
2020**

Launched Request for Quote Platform in Debt Securities

**23 May
2020**

Launched Gold options in the Commodity Derivatives Segment

**7 December
2020**

Introduced weekly F&O contracts on EUR-INR, GBP-INR and JPY-INR currency pairs

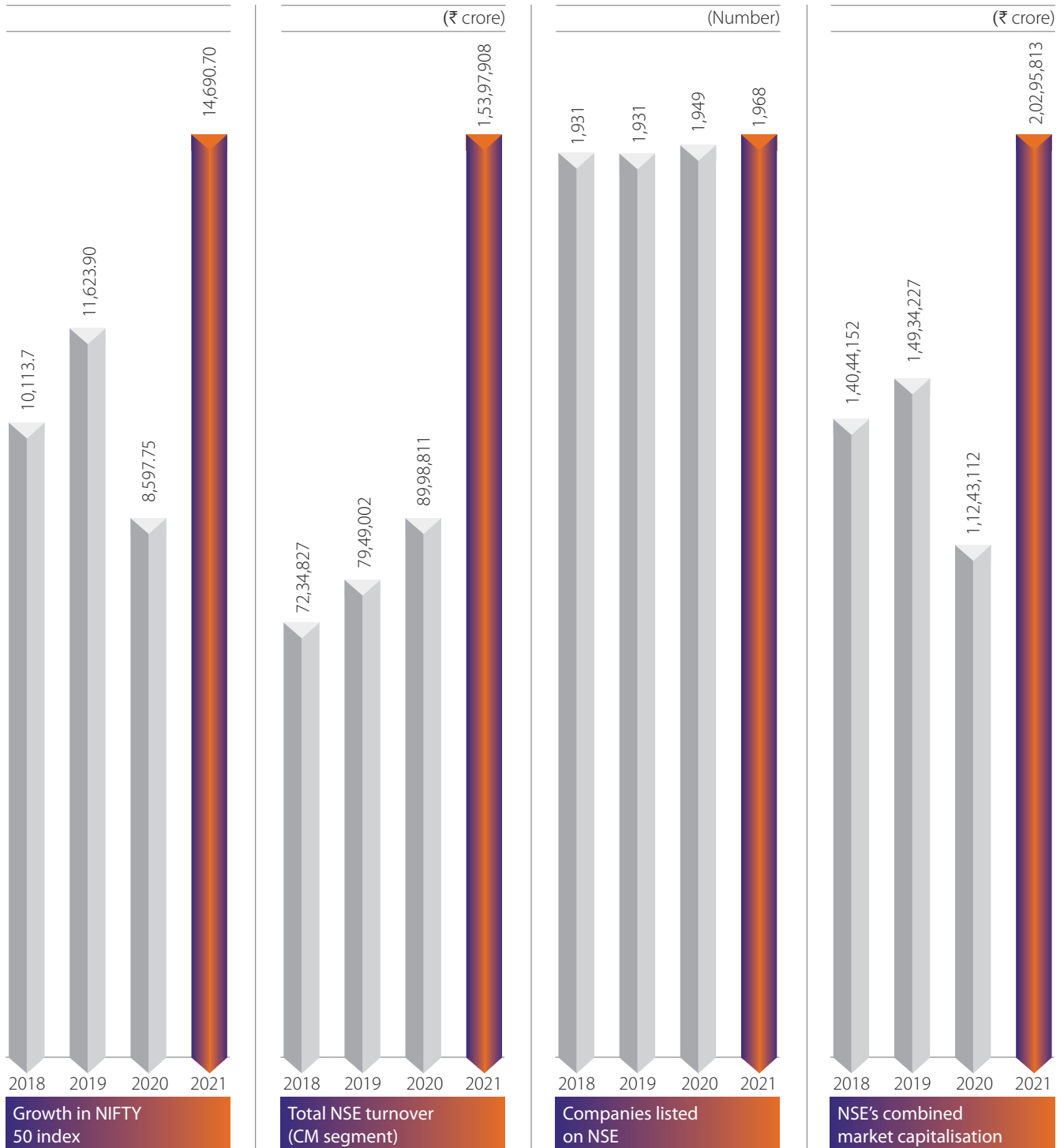
January 2021

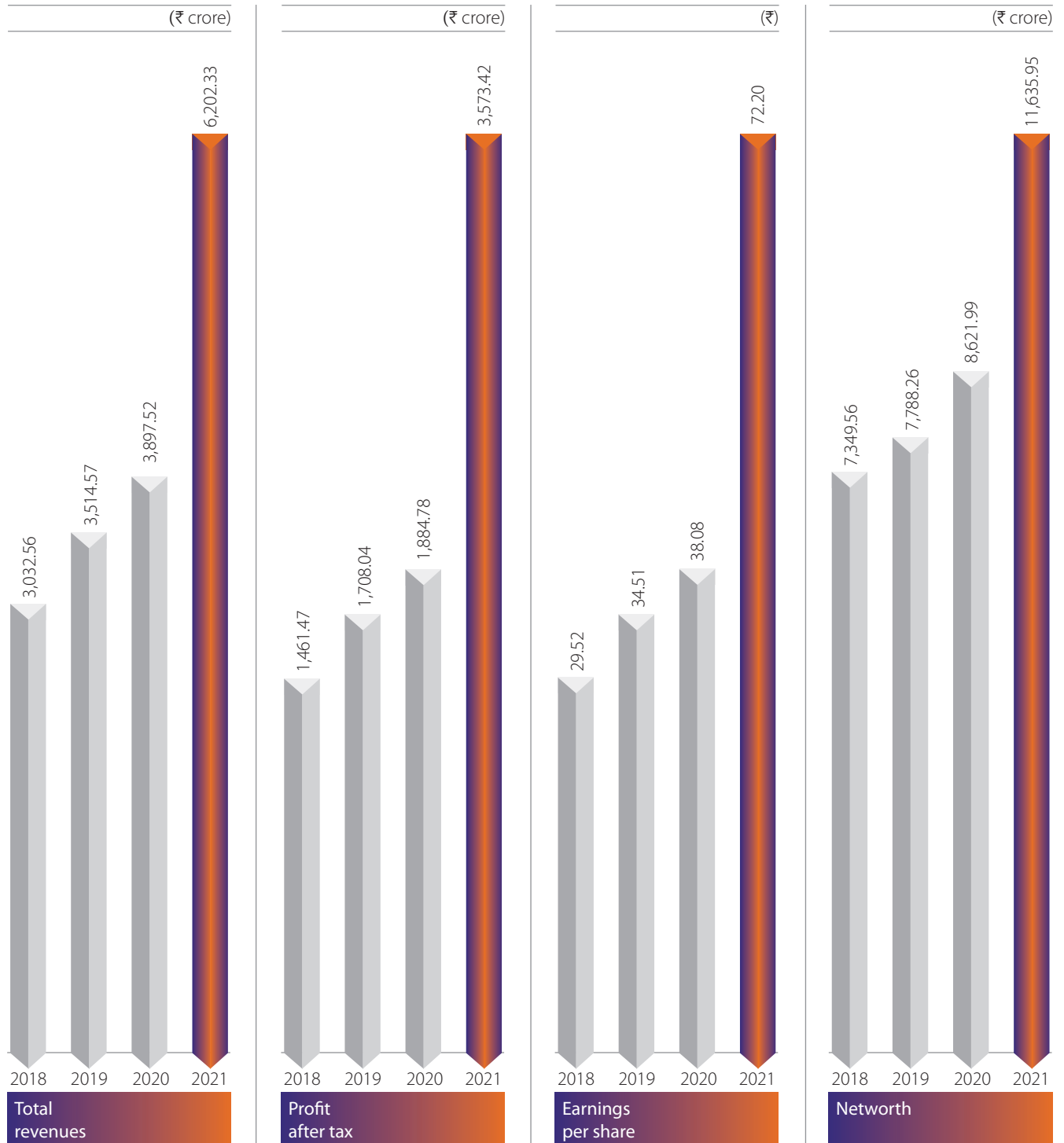
NSE emerged yet again as the largest derivative exchange in the world for CY 2020, as per FIA, by the number of contracts traded.

**11 January
2021**

Launched derivatives on Nifty Financial Services Index

Our growth in the past four years





Corporate snapshot

The exciting world of National Stock Exchange of India Limited





Ethical pedigree

Vision

To continue to be a leader, establish global presence and facilitate the financial wellbeing of people

Purpose

Committed to improving the financial wellbeing of people.

Values

Integrity, customer focused culture, passion for excellence, trust, respect and care for the individual.



Rich experience

Incorporated in 1992, NSE was recognised as a stock exchange by SEBI in April 1993, commenced operations in 1994 and has been ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. It is the largest derivatives exchange globally in terms of number of contracts.



Service offerings

NSE offers comprehensive coverage of the Indian capital markets across asset classes. The company's fully-integrated business model comprises exchange listing, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. The company also oversees compliances by trading cum clearing members as well as listed companies with

SEBI's and the Exchange's rules and regulations. Its derivatives market offers trading opportunities in various forms of derivatives, such as futures and options on stocks and indices, currency futures and options, interest rate futures and options and commodities future and options.



Locations/NSE premises

NSE is headquartered at Exchange Plaza, Mumbai, with client-facing regional offices in Mumbai, Kolkata, Delhi, Chennai and Ahmedabad. In the last few years, NSE has 25 locations where business is undertaken by the Company including offices in Indore, Kanpur, Pune, Jaipur, Rajkot, Cochin, Hyderabad, Bangalore, Patna, Lucknow and Vadodara. NSE's proprietary technology infrastructure is at par with the best in the world in terms of size, scale and throughput. The standards set by NSE in terms of market practices, products, services and technologies have become industry benchmarks.



Technology

NSE has a culture of innovation and proactive investment in technology. NSE was the first exchange in India to implement electronic or screen-based trading.





Regulations

NSE is governed by SECC Regulations issued by SEBI, SEBI Act, various regulations/ circulars/ guidelines etc. issued there under, RBI directives on forex trading, interest rate futures trading, debt securities trading, Prevention of Money Laundering Act and several other statutes that govern any employer/ corporate body in the country.



Pioneering

NSE is a technology pioneer that ensures systemic innovation and related investment. NSE believes that the breadth of its products and services and sustained leadership across multiple asset classes put a premium on responsiveness, warranting technology investments.

NSE is the world's largest derivatives exchange by trading volume of contracts (Source: Futures Industry Association) for 2020. NSE was ranked fourth in the world in cash equities by the number of trades (Source: World Federation of Exchanges) for 2020.



Market share

NSE began operations in 1994 and enjoys a leading market share (by total turnover) of 94% in the Equity Cash market, 100% in Equity Futures, 100% in Equity Options, 74% in Currency Futures and 68% in Currency Options for fiscal 2021, based on premium value.



NSE subsidiary companies

NSE Clearing Limited (NCL):

A wholly-owned subsidiary, it became the first clearing corporation to introduce settlement guarantees.

NSE Investments Limited (NSEI):

A wholly-owned subsidiary, it was incorporated to inter alia make or hold all strategic investments in the equity shares and/ or other securities of NSE Group companies.

NSE InfoTech Services Limited (NSE InfoTech):

A wholly-owned subsidiary of NSEI.

NSE Indices Limited (NSE Indices):

A wholly-owned subsidiary of NSEI, it provides a variety of indices and index-related services and products.

NSEIT Limited (NSEIT):

A wholly-owned subsidiary of the NSEI, it is a turnkey provider of innovative business IT solutions.

NSE Data & Analytics Limited (NDAL):

A wholly-owned subsidiary of NSEI, it offers data and info- vending products.

NSEIT (US) Inc. (NSEIT US):

A wholly-owned subsidiary of NSEIT, it offers application, assessment, and infrastructure and security services, among others.

NSE Academy Limited (NAL):

A step-down subsidiary of NSE with 100% share capital held by NSE Investments Limited. Its mission is to promote financial learning as a necessary life skill within schools, colleges and professional learning spaces.

NSE IFSC Limited (NSE IFSC):

A wholly-owned subsidiary of NSE, it provides a platform for trading securities in IFSC.

NSE IFSC Clearing Corporation Limited (NICCL):

A wholly-owned subsidiary of NCL, it provides clearing and settlement services in IFSC.

NSE Foundation:

A subsidiary formed by NSE along with other six subsidiaries, it is engaged

in undertaking CSR activities of NSE Group.

Aujas Cybersecurity Limited (Aujas):

'NSEIT', wholly owned subsidiary of NSE, acquired a majority stake in Aujas Networks Private Limited. It provides information security consulting and IT risk management services.

Talentsprint Private Limited:

A subsidiary of NAL, is a new-age education technology company.

Cogencis Information Services Limited:

A wholly-owned subsidiary of NSE Data & Analytics Limited, which offers real time financial data and various analytical tools on fixed income, foreign exchange, equities, commodities and macro economy through terminal and web-based user access (Terminal Business) to banks, asset managers, regulators and corporates, etc. in India.



Key Products & Services

Segment	Products and services	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.</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 bill (T-bill) and State Development Loans (SDL), primary market for debt securities, order collection for sovereign gold bonds (SGB) and Electronic Bidding Platform (EBP) for private placement of debt securities.</p>	Foreign portfolio investors (FPIs), Domestic institutional investors, Proprietary desks and other retail investors
Derivatives	<p>Equity derivatives including index derivatives and single stock derivatives, Currency derivatives including FCYINR and cross currency pairs, Interest rate derivatives, Commodity derivatives including agricultural derivatives and non-agricultural derivatives such as bullion, energy and base metals.</p>	Foreign portfolio investors (FPIs), Domestic institutional investors, Proprietary desks, retail investors, corporates, etc
Data and Information Vending	<p>NSE's Real time Data Feed, 15-Min delayed, 5 minutes, 2 minutes and 1 minute Snapshot Data, EOD data, Historical Trade & order, Corporate Data, Bond Valuation, Indicative NAV for ETFs, Analytical products using trading data etc.</p>	Data vendors, researchers, TV channels, financial websites, software, algorithm developers etc.
Index services	<p>Equity Indices (flagship indices such as Nifty 50, Nifty Bank etc.), ESG Indices, Debt Indices, Hybrid indices, Customised indices and Index constituents data.</p>	Asset Management Companies (AMCs), ETF issuers, insurers, Non-Banking Finance Companies (NBFCs), investment banks, stock exchanges, Portfolio Management Services (PMS), AIFs etc.

NSE. Hand-held India from a legacy trading environment into a new future

NSE took the case of the Indian investor ahead from legacy practices to among the best transaction experiences in the world





In the pre-1990s era, Indian stock exchanges were driven by floor-based trading for just two hours a day. All shares were paper-based; the settlement system lacked transparency; settlement cycles were long; counter party risks were high and so were intermediation costs.

Then came the watershed moment for India's capital market. National Stock Exchange of India was launched in 1992.

NSE did not just advocate an increment over the previous system; it ushered in a complete revolution. From that moment onwards, trading on India's stock exchanges would never be the same again.

NSE introduced a nation-wide electronic market based on a satellite-based communication network. The result: longer trading hours.

NSE introduced digitised online real-time market surveillance. The result: better analytics and pattern recognition models to detect abnormal trading activity and information in the public domain to detect rumours to mislead investors.

NSE introduced extensive digitisation. The result: development of a capital market ecosystem (operational processes, compliances, enforcement of rules and regulation over stakeholders /market intermediaries and new products & services) woven around a digitised experience.

The result is that NSE did not merely provide a platform for trading equities and other financial instruments; it transformed India's capital market culture.

NSE hand-held India's capital market from the way things had been for decades into a new future.

NSE. Invested in cutting-edge technology to create a modern, credible and trusted eco-system

NSE did not just offer a handful of conveniences; it offered a completely new way of doing things in India's capital market



NSE promoted India's first depository that facilitated the landmark dematerialisation of share certificates well before the word 'digitised' gained public currency.

Digitised shares reduced settlement cycles; this, in turn, increased systemic transparency; it resulted in a decline in intermediation costs. Digital records ushered a completely new way of doing things: enhanced transparency in shareholding records, implementation of corporate actions and participation of investors in corporate proceedings like e-voting. Besides, it became easier for digitally-held certificates to be pledged and mobilise funds.

NSE promoted India's first clearing corporation. This corporation introduced world-class risk management processes and settlement guarantees (among other things). The clearing corporation monitors client margins and real-time exposure monitoring – all online. The derivatives open positions are subjected to daily mark-to-market settlements. In recent years, Indian markets have implemented the interoperability of clearing corporations.

NSE introduced new products and services. NSE developed its flagship Index – NIFTY 50 Index - computed in real-time, followed by multiple indices (sectoral indices, thematic indices, strategy-based indices, fixed income indices etc.) used for a variety of applications.

NSE's book-building timelines reduced with the digitisation of process at different points such as ASBA (Applications Supported by Blocked

Amount) and integration of UPI (Unified Payments Interface) as an alternative payment option for retail investors.

NSE introduced Equity, Currency, Commodity and Interest Rate Derivatives. In 2019 and 2020, NSE was ranked 1st in derivatives globally (source: FIA).

NSE's digitised shares could be borrowed / lent on electronic trading platforms at different rates and tenures.

NSE facilitated the issuance of debt securities on a private placement basis to enhance efficiency and transparency in the price discovery mechanism and reduce the time and cost of issuances.

NSE's RFQ platform for debt securities helped introduce the over-the-counter (OTC) phone market to an electronic platform.

NSE's internet and mobile-based trading platforms helped the capital market penetrate the masses; they account for 36% of the overall cash equity market turnover.

NSE's algorithmic trading made it possible for decision-making tools/ algorithms to be developed and used for trading decisions (order management systems), creating a new breed of high frequency traders.

NSE decided to introduce XBRL (eXtensible Business Reporting Language)-based compliance filing

mechanism featuring identical and homogenous compliance data structures between Stock exchanges and Ministry of Corporate Affairs, enhancing transparency and ease in further use.

NSE's introduction of Aadhar-based Know your customer (KYC) and online IPV using modern technology eased KYC process completion for opening trading and demat accounts, widening the market.

NSE's transmission of transaction details to all non-proprietary and non-institutional investors by the end of the trading day on the mobile number and/ or email address registered by trading members has enhanced reporting transparency.

NSE's straight through processing automates end-to-end transaction processing of financial instruments, which allows electronic capturing and transactions processing in one pass from the point of order origination to final settlement, eliminating manual entries and re-entries of the details of the same trade by different market intermediaries and participants. In addition to compressing clearing and settlement tenures, STP provides a flexible, cost-effective infrastructure, which enables e-business expansion through online processing and access to enterprise data.

NSE. A technology-plus Exchange. Taking the investor's interests ahead

At the heart of NSE's technology-driven approach lies the interests of that one stakeholder that matters most – the investor





The Exchange provides complete transparency in electronic matching.

The Exchange is not localised; it is pan-India.

It connects the country through a single uniform exchange.

It provides real-time risk management.

It protects investor interests through guaranteed T+2 clearing & settlement cycles.

It has facilitated complete de-materialisation replacing physical shares.

It provides online and offline surveillance in real time.

It has emerged as the first-stop of corporate disclosures, empowering investors to take informed decisions.

It has extended from equity trading to new segments (F&O, Currency & IRF, SLB and SME segments), widening choice and market.

It provides real-time cross-margining, enhancing trading flexibility.

It founded the NSE Academy, which promotes financial literacy across students, homemakers and non-finance professionals.

By playing the role of an enlightened forward-looking evangelist, NSE has helped transform India's deep-rooted savings tradition into an 'equity culture', taking the country ahead.

NSE. Servicing the increasing needs of a dynamic India

The Exchange is positioned not just as a support to the Indian economy and capital market; it is playing the role of a responsible catalyst instead





Overview

NSE is dedicated to servicing the increasing capital market needs of a dynamic India.

Over the years, the Exchange invested ahead of the curve with the objective to lead India's growth instead of playing catch-up.

The result is that the Exchange has been equipped and responsive to improvements in the economy without corresponding time-lags.

Cash Market Segment

The total turnover of the capital market segment increased to ₹ 1,53,97,908 crores compared to ₹ 89,98,811 crores in FY 2019-20, an increase of 71.11%. Correspondingly, the average daily traded value in FY 2020-21 was ₹ 61,838 crores compared to ₹ 36,432 crores in FY 2019-20.

Futures and Options Segment

During the FY 2020-21, there was a 84.85% increase in turnover and 64.80% increase in the number of contracts traded; in the daily average open interest, it increased by 150.61% over the previous year in the F&O segment.

Currency Derivatives Segment

In FY 2020-21, there was an increase in currency derivatives (Currency Futures and Options) turnover. The average daily turnover in currency derivatives increased 10.95% and stood at ₹23,421.80 crores in FY 2020-21

compared to ₹21,109.79 crores in FY 2019-20. The daily average number of contracts increased by 18.08 % in FY 2020-21 and stood at 6,513,029 contracts as compared to 5,515,482 contracts traded in FY 2019-20. The daily average open interest increased by 20.40% in FY 2020-21 compared to what was observed in FY 2019-20.

Debt Market Segment

NSE launched its first dedicated Debt Platform on May 13, 2013. The debt segment provided an opportunity to retail investors to invest in corporate bonds on a liquid and transparent exchange platform. The segment helped Institutions who are holders of corporate bonds with a platform to buy and sell at optimum prices and help corporates source demand, when they are issuing bonds. In an endeavour to centralise trading in all debt instruments into a single platform, the Exchange introduced a new web-based negotiated reporting platform for reporting all the deals in debt instruments by trading members with effect from July 2015 in the debt segment. The Exchange closed WDM from July 3, 2015 and merged it with the new debt segment. From November 2016, NEATPLUS Debt was discontinued and migrated to the Web Based New Debt Market (NDM) platform. The debt segment consists of negotiated trade reporting platform and an order matching platform. The turnover of the debt segment decreased in FY 2020-21 to ₹2,71,695.80 crores from ₹4,14,827.92 crores in FY 2019-20, a decrease of 34.50%. The average daily turnover decreased to ₹1,113.51 crores in FY 2020-21 from ₹1,714.16 crores in FY 2019-20.

NSE. Driven by vision. Empowered by technology

NSE is not just another exchange; it is a brand for the highest technology standards



Overview

For more than two decades, NSE has spearheaded the digital transformation of India's capital market.

NSE is now a metaphor for contemporary services and products delivered through world-class technologies. NSE evokes a recall for the highest standards of market integrity and governance.

NSE co-created unique solutions through a blend of sectoral experience,

market insights and understanding of emerging technologies, besides, its focus on innovation and technology, the Exchange delivered customer-centricity, crisis management competence and market integrity.

NSE invested in business continuity to address a range of exigencies, guided by a Business Continuity Management policy and prepared in line with the directives described in SEBI's guidelines on 'Business Continuity

Management and Disaster Recovery'. The Business Continuity Management (BCM) protocols are tested through BCM live sessions on a half yearly basis (the session is conducted over two working days), in addition to external mock drills that are conducted every quarter.

NSE invested in its Technology and Knowledge Capitals to foresee market risks and move with speed to eliminate market disruptions. The result is high operational efficiency, resilience, transparency and surveillance competence.

NSE's dedicated technology leadership team and Chief Technology and Operations Officer (CTOO) convene

cross-functional consultation sessions to seek inputs for technology roadmap development, which helps evaluate the feasibility of integrating emerging technologies. The technology roadmap (short- and long-term) is submitted to the Board for inputs and approval.

NSE remained at the cutting-edge of technology through timely upgradation, monitoring of emerging requirements, information security audits and OEM recommendations to drive technology upgrades.

In an institutionalised approach, the Chief Technology Officer's office engaged in a quarterly review of technology trends, NSE's preparedness, proposed roadmap (short term and

long term) and proof of concept feasibility with technology partners. The result is that NSE has periodically upgraded its IT infrastructure to achieve higher capacity, lower latency, systemic stability and infrastructure availability. NSE's systems are monitored to address specific performance criteria (predictable response times), latency, capacity and projected peak load.

The improved market efficiency, enhanced transparency, easier user access and increased flexibility have translated into a vibrant, inclusive, ethical and digitally-empowered marketplace.

Our technology adoption roadmap

Short-term aspirations

- NSE intends to migrate its trading system to horizontally scalable commodity hardware and software-driven resiliency architecture.
- NSE intends to implement the digital transformation of market stakeholder touch points and business operation processes for membership, clearing, listing and regulatory etc.
- NSE intends to implement the digital transformation of help desks for trading member services, co-location services, regulatory compliance, and investor complaints.
- NSE intends to deploy chatbots, simplifying the stakeholder experience while interacting with various NSE Group touch points.
- NSE is building a fully automated switchover to a disaster recovery site for critical market systems across NSE/NCL, ensuring a Recovery Time Objective (RTO) of 45 minutes .
- NSE is building strategic disaster recovery and near-disaster recovery sites to support the deployment of scalable and resilient infrastructure and robust telecom networks across all sites.
- NSE will set up an API-driven file exchange gateway among trading and clearing members of NSE and NCL.
- NSE will build an API gateway for clearing and data APIs.
- NSE will engage in the blockchain-based digitisation of business processes for the commodity trading of precious metals.

Medium to long -term aspirations

- NSE will modernise its trading platform to build scalable, resilient and fault-tolerant trading application components to process a million orders per second.
- NSE will build futuristic unified risk and collateral management platforms across all asset classes based on cloud native and a modern applications technology stack.
- NSE will modernise clearing and settlement systems based on a Cloud native modern applications stack, leveraging the latest in memory databases and a low latency service bus architecture.
- NSE will build strategic production and co-location data centers based on hyper scalar colocation data center architecture to support future generation, software-defined technology infrastructure, and Cloud-ready data centers for supporting exponential growth.
- NSE will modernise data warehouse architecture based on open-source data lake with real-time data ingestion from data sources.

NSE. Focused on development and future-ready digitisation

NSE is taking the Indian investing tradition ahead through a proactive investment in the future-accelerating digitisation





At NSE, we strengthened our digitisation journey during the last financial year.

When the pandemic resulted in a lockdown and employees were required to work from home, NSE moved with speed and sensitivity.

NSE announced that members could submit password reset and unlocking requests for branch managers and dealer user identification along with corporate manager users through ENIT.

NSE informed members that the Quarterly Options contracts on Nifty Bank Index would be available for trading in the Future & Options segment from October 30, 2020. A member can activate / deactivate the facility of placing PRO orders through the user ids allotted by the Exchange for trading. Members can place requests to activate / deactivate the facility of placing 'only PRO' orders as well as 'PRO and CLI' orders through the Pro Trading module available on ENIT.

NSE focused on re-designing and re-imagining touchpoints to enhance the customer experience and operational excellence.

NSE partnered with leading industry vendors like Microsoft, Red Hat and IBM, among others, in extending its technology frontier.

NSE embarked on Parivartan, a unique project directed to reinforce each department with renewed technology-enabled capabilities.

The complement of these initiatives resulted in NSE moving with speed to re-orient, protecting its systemic uptime, protect its reputation and build its business in a challenging year.

NSE. Leveraged technology and responsiveness to protect investor interests through the pandemic

NSE validated its respect as a reality-responsive Exchange through its sustained uptime during the pandemic-induced lockdown





The multi-decade technology investments made by NSE were tested during the pandemic when employees were required to work remotely.

A business continuity plan was executed during the pandemic keeping India's capital market live. This ensured that employees would remain safe on the one hand and would work from home on the other.

Increased reliance on digital modes augmented resilience and technology management during this challenging period.

NSE strengthened its regulatory capabilities during this challenging period through a number of initiatives.

Enhanced modules in NewGen Surveillance System: Integrated platform to raise alerts for various combinations at the order/trade level.

New pattern recognition model: to detect market abuse practices connected to media recommendations.

Pattern recognition: Aimed to address market abuse practices like circular trading and order spoofing.

Dedicated listing investigation:

Department established to oversee trading / compliance data of listed entities, handle complaints related to fraud, diversion, and siphoning or misappropriation of funds etc.

Centralised enforcement team:

Rolled-out a generation of new alerts and online verification of key risk factors leading to swift disciplinary action against violators.

NSE. Making proactive investments to remain a benchmark

NSE has made consistent investments to emerge as more than an Exchange; it has emerged as a lifeline of India's capital market





NSE invested proactively to build India's largest private, pan-country infrastructure network that is the life-line of its capital market.

The result is a robust infrastructure that is the pride of the country.

NSE's telecommunication network hosts over 3,000 leased lines. This wide network is backed by 2,000 servers, 900+ racks, four data centers and an 11,000+ kVA power backup. This has been complemented by 500 server-class computer systems with non-stop fault-tolerant Stratus and LINUX servers enable real-time trading.

These assets currently enable real time trading for over 2,00,000 orders per second.

We are actively exploring opportunities to enhance our operational prowess through the incorporation of cutting-edge infrastructural solutions.

NSE's telecommunication-linked assets have been complemented by six regional offices across the country. A dedicated corporate network line was developed to facilitate real-time data and voice-based inter-office communication between its

Mumbai, Delhi, Kolkata, and Chennai offices.

In FY 2020-21, NSE strengthened access management through the implementation of an identity management tool for applications across NSEIL, NCL & NSE IFSC. This has helped in automating information access controls and privileges enabling only authorised individuals to have access to the information systems.

NSE did not just address the needs of the day; it invested in redundancy to enhance operational uptime and business continuity. The result is an unmatched ability to seamlessly handle large volumes.

The result: NSE is equipped to handle up to 15 million trades per day in its capital market segment.

The result is the ability to deliver sustainable, reliable and first-in-the-market solutions that help us retain our position as a trusted service provider of choice.

NSE. Investing in the future through timely acquisitions

NSE has widened and deepened its technology footprint through proactive acquisitions of technology companies engaged in cutting-edge competencies





At NSE, we accelerated our technology journey through timely acquisitions. These acquisitions are focused on companies possessing complementary technology capabilities. The ‘string of pearls’ approach reinforces the company’s competence in diverse technology areas, saving the company considerable time that would have been otherwise expended in building capabilities from scratch.

Aujas Cybersecurity Limited (Aujas), a step-down subsidiary, whose majority stake is held by NSEIT, is involved in the business of, inter alia, providing information security consulting and IT risk management services with operations in India, Middle East and North America. The service portfolio includes information risk advisory, identity & access management, threat management, cyber defense response and security analytics.

Talentsprint Private Limited (majority stake acquired by NSE Academy Ltd.) is a new-age education technology company, offering training and certification programs for skill-oriented and career-enhancing learning in deep tech, artificial intelligence, automation and related areas going through rapid growth and changing workplace environment. It brings transformational high-end and deep-tech learning programs to emerging and experienced professionals in partnership with leading academic institutions and global corporations. Its patent-pending, AI-powered, digital learning platform blends high-end academics and industry-leading practitioner experience. Its programs have consistently seen a high engagement rate and customer delight.

Cogencis Information Services Limited (100% equity acquired by NSE Data)

provides real-time market data terminal including real-time financial news. The Cogencis WorkStation provides data on all asset classes (foreign exchange, fixed income, equities, commodities and macro-economic data) generated on its own or aggregated. NSE Data and Cogencis are complementary businesses.

Capital Quant Solutions Private Ltd. During the year under review, NSE Data acquired 17% stake in Capital Quant Solutions Private Ltd. (CQS). CQS is a leading India-based technology start-up focused on providing software products using Machine Learning (ML) and Natural Language Proficiency (NLP) that extract and analyse structured information and building machine learning models for extracting data from complex unstructured financial documents.

Indian Gas Exchange Limited (IGX) During the year under review, NSE Investments acquired 26% in the Indian Gas Exchange Limited (IGX). IGX is India’s first automated national gas exchange; it intends to promote an efficient gas market in the country. The Exchange features multiple buyers and sellers to trade in spot and forward contracts at designated physical hubs. IGX is promoted by Indian Energy Exchange (IEX).

NSE. More than an Exchange; a solution instead

NSE is not just focused on revenue or transaction growth; it is focused on taking the Indian investing culture ahead



NSE is comprehensive: it offers complete single-stop coverage across asset classes (equity, fixed income and derivative securities). It offers more than a trading platform; it provides a fully-integrated solution comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings.

NSE provides investors the benefit of breadth and depth:

it attracts a large range of participants that generates large volumes, enhances liquidity and in doing so, facilitates efficient and credible price discovery. The result is that investors are convinced that if a stock has been traded on NSE then the price must have been a faithful reflection of realities at that instant.

NSE protects: the Exchange's trading technology and risk management framework offers faster and automated order execution. This reduces the cost impact for large trade orders, enhancing its cost-value proposition. It assumes the credit risk of each party to the trade, which is the risk that a clearing member defaults on its obligations in respect of the trade. Twenty-Four investor-service centers opened by NSE

across the country cater to the needs of investors.

NSE celebrates transparency: the Exchange's trading system provides high trade and post-trade information, enhancing investor trust and confidence. For instance, the best five buy and sell orders are displayed on the trading system; the total number of securities available for buying and selling is also displayed, empowering investors to gauge market depth; it features corporate announcements, results and actions on the trading system, enhancing informed decision making. Listed companies are provided with monthly trade statistics for all the securities of the company listed on the Exchange.

Through these benchmark-enhancing features, NSE represents a modern customer-centric and governance-committed face of India to the world.

The NSE value proposition

Offers single-stop coverage

Promotes efficient price discovery

Protects investor interests

Celebrates transparency

Provides unmatched footprint

NSE. Extended beyond the routine; focused on integration, inclusion and innovation

NSE's biggest achievement is that it has adapted across multi-decade transformational technology cycles while reinforcing its leadership



What makes the NSE story different is that the Exchange did not outsource exchange software to a global company; the company developed proprietary technologies and has since depended completely on insourced capabilities to evolve and grow its business.

This capability has translated into distinctive customer-centric outcomes: the ability to respond with speed to market needs, changes in technologies; the ability to keep extending the frontier; the ability to moderate operational costs that has helped maximise customer value.

During its existence, NSE kept itself abreast of emerging technologies, empowering its proactive extension into the next phase of its existence.

For instance, the Exchange launched internet trading in 2000, which empowered investors to transact directly. This disintermediation enhanced speed, safety, transparency

and ease of transaction. In 2009, the Exchange launched a platform for mutual fund trading and a year later, launched a mobile trading platform, enhancing convenience.

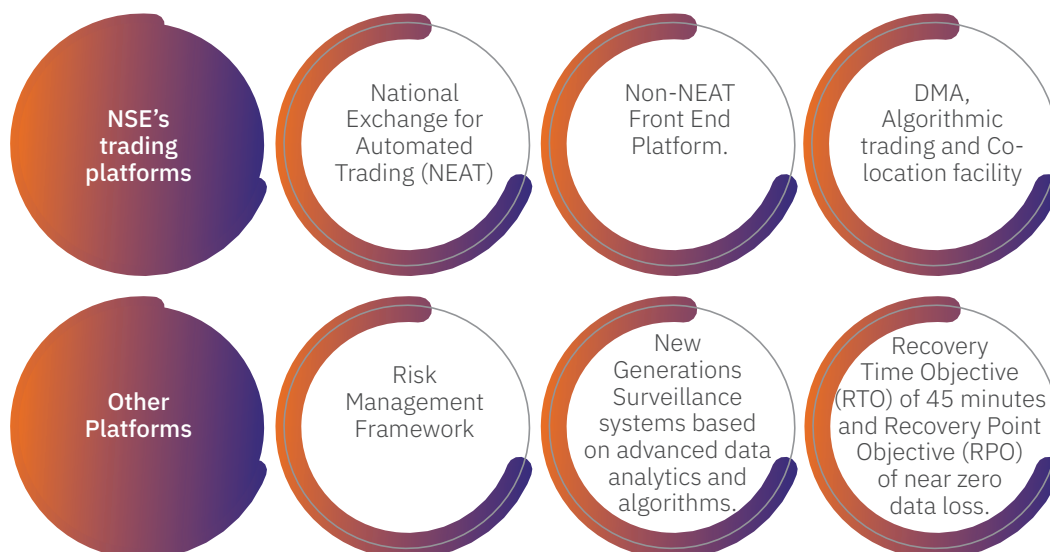
NSE developed a proprietary National Exchange for Automated Trading, or NEAT, its screen-based trading system. It introduced electronic trading through the VSAT technology.

NSE enhanced its load balancing capability to handle scalability to process over six billion messages every single day. In turn, this scale helped the company moderate transaction costs to possibly among the lowest in the world.

NSE leveraged a combination of advanced technologies to create effective real-time risk management and surveillance infrastructure that is considered among the best global benchmarks.

NSE complemented applied technologies with an electronic filing system for listed companies, direct market access, centers and co-location services (facility owned and operated by NSE), certifications (ISO 20000).

The success of NSE's technology capability is reflected in its uptime of 99.999%, prompting the trust that 'If it is NSE, it must be always on.'



**NSE. More
than just an
Exchange;
an aspiration
instead**

**NSE represents a high point in an Indian
company's journey to seek visibility and respect**

NSE is more than an Exchange in India; it is a symbol of investor trust in markets.



It is a platform that makes it possible to raise growth capital.

It is a signal to the investing community of a company's standing.

It is a mark of liquidity, transparency and accessibility to investors.

It is a symbol of a company's commitment to governance.

It is a watershed in a company's journey towards investor trust and respect.

Chairman's Overview



NSE has emerged as a prominent market infrastructure institution in the rapidly changing global marketplace

We look back on fiscal 2021 as one of the most noteworthy years in living memory - a year of challenges, changes and new paradigm with profound impact on the way we live and work. The year will be one that will be remembered for many challenges and learnings which arose from the COVID-19 global pandemic and resultant economic fragility of most of the countries worldwide including India.

The COVID-19 second wave, though debilitating, is not unsurmountable. Various initiatives both by the government and non-government agencies have been helping to combat the socio-economic impact of the same. While there are fears surrounding the probable third wave of the Coronavirus pandemic, I am confident that with all the measures being taken, both domestically and globally in the form of medical support, vaccines etc., collectively we all would emerge victorious in overcoming the pandemic.

In the above context, there was a significant slowdown in the country's GDP growth with the annual GDP contraction of around 8% in FY21. This phenomenon has occurred for the first

time in the last four decades. Most of the countries across the world also witnessed similar trend with many of them posting negative growth in Fiscal 2021. However, it is noteworthy that the innate strength of Indian economy continues to be robust.

Keeping up with its past growth trend, NSE has completed one more successful year. It gives me immense pleasure to share with you some of the key highlights for fiscal 2021.

I am particularly delighted that, over the years, NSE has emerged as a prominent market infrastructure institution in the rapidly changing global marketplace. The business performance and recognition that NSE has garnered in all these years

is beyond just the robust financial performance. It is noteworthy that for the second consecutive year NSE continued to be the largest derivatives Exchange in the world based on the volume of contracts traded. It was ranked No. 1 in terms of contracts traded in index options and currency options. In the capital market segment, NSE was ranked 4th largest in the world based on the number of contracts traded in the year 2021.

Nifty 50, our flagship index, continued to evince significant traction among its peer group, globally. During fiscal 2021, Nifty 50 generated ~70% returns accompanied with a 68% drop in market volatility (INDIA VIX). This was significantly higher than the 55% and 52% returns generated by MSCI Emerging Market and Developed Market Indices respectively.

Nifty 50 today is listed in more than 20 countries with a total AUM of approximately USD 20 billion. This makes NSE and Nifty 50, both, truly global.

Investments in ETFs in India witnessed significant growth. The Assets under management (AUM) of all the ETFs tracking Nifty 50 index in India crossed a new milestone of ₹ 1 trillion. Also, the total AUM of ETFs (both Equity & Debt) in India crossed ₹ 2 trillion leading to y-o-y growth of 88%.

Fiscal 2021 was one of the most significant in the last decade in terms of investor participation across the Indian capital market. NSE continued to enjoy a market share of around 94% in the Capital Market segment with a near 100% market share in the Equity Derivatives segment. Besides, in the Currency Derivatives market, it retained its leadership with a market share of around 74% in the currency futures segment and around 68% in the currency options segment in fiscal

2021. Also, Indian capital markets witnessed record high foreign portfolio inflows of ~USD 37 billion (~₹ 2.7 trillion) in FY21, resulting in Indian markets outperforming most major global markets during the year. With this backdrop, the market turnover also witnessed a significant jump in the financial year with an average daily turnover in the equity segment rising by 71%, equity futures rising by 25% and equity options (premium) rising by 90%. Direct retail participation strengthened significantly during the year which was reflected in a sharp rise in new investors and an increase in individual investors' share in the overall market turnover. During fiscal 2021 around 8 million new investors were added.

NSE continued to be the preferred platform for raising capital. With 1,940 companies listed on NSE with a market capitalisation of ~₹ 203 trillion, NSE continued to be the premier Exchange in the country. During fiscal 2021, the aggregate value of the fund (both equity & debt) raising via Initial Public Offerings (IPOs) was at ₹ 372 billion. Additionally, fund raising via privately placed debt securities was at a record ₹ 4,962 billion.

NSE has been at the forefront of supporting the small organisations and retail investors. NSE has always endeavoured to create a vibrant environment for a range of enterprises from conventional manufacturing companies to new age economy start-ups. We believe that SMEs are the backbone of India's growing economy and are crucial not only for economic growth, but also for employment and inclusive growth. Considering the turbulent and challenging times faced by the SMEs due to COVID 19, NSE decided to provide reductions on the annual listing fees to such companies listed on its SME platform – NSE EMERGE.



During fiscal 2021, the aggregate value of fund (both equity & debt) raising via Initial Public Offerings (IPOs) was at ₹ 372 billion. Additionally, fund raising via privately placed debt securities was at a record ₹ 4,962 billion.



NSE continued to deliver robust financial performance. The consolidated revenue of NSE Group for FY 2020-21 was ₹6,202 crores (y-o-y increase of 59%). Of this, the core operations contributed 91% of the revenue. The Profit before tax was ₹4,465 crores and the Profit after tax was ₹3,573 crores (y-o-y increase of 90%).

In order to encourage and increase participation of retail investors and to aid in diversifying the investor base for the Government of India securities, NSE introduced trading of T-bills and SDLs in Capital Market Segment where investors can now buy and sell T-bills and SDLs through NSE Trading Members.

To cater to the requirements of bond markets and to attract a wider section of participants to the bond markets to make the market robust and vibrant, NSE launched a new version of Request for Quote (RFQ) platform for debt securities that allows market participants to transact in debt securities by requesting quotes from several participants, simultaneously. The platform is designed to supplant voice-based negotiations with state-of-the-art electronic negotiation tools to bring transparency to bond trading.

Over the years, NSE has undertaken several initiatives to encourage research in the field of finance and corporate governance. In its endeavour to encourage research based on the data pertaining to the Indian Capital Markets, NSE has launched a cloud-based research facility called the NSE Data Room (NDR).

Technology is the backbone of NSE's core infrastructure. It is both an enabler as well as a lever. Technology is very critical in providing a stable and reliable platform for operating the market successfully. NSE has always been a thought leader and known for introducing innovative technologies. Speed, latency, resiliency, high availability and security are five important tenets of our technology. NSE strives to offer state of the art, robust, low latency, high throughput, easy-to-use and customisable technological architecture that

meets the expectations of the entire spectrum of investors, intermediaries, and issuers. During the year, many initiatives in these areas including projects surrounding enhanced customer experience have been undertaken to enhance the overall customer experience and to keep our technology platform efficient, robust and competitive.

NSE endeavours to continue the efforts to include more asset classes into the Exchange ecosystem and democratise the trading opportunities. NSE intends to have a vibrant market infrastructure for the Indian energy sector. Towards accelerating the development of the gas markets, NSE, through its wholly owned subsidiary NSE Investments Limited, acquired 26% stake in Indian Gas Exchange Limited during the year.

Apart from running the vital capital market infrastructure of the country, NSE has been entrusted with the key responsibility of regulating the securities market for which NSE has put in place rules and regulations relating to member registration, securities listing and compliance, market surveillance and investigation, inspection and enforcement and investor services. NSE expends considerable resources and time and deploys technology in a significant way to manage its regulatory responsibility. NSE employs state-of-the-art surveillance system which has the capacity to sift through billions of orders and provide meaningful alerts which are then relayed to SEBI for further scrutiny and actions thereon. Similarly, as part of strengthening supervision of trading members, NSE has ramped up its offsite monitoring by analysing data available from trading members and other market intermediaries and taking quick enforcement

against members like freezing of securities and bank accounts where regulatory concerns are observed. NSE also regularly undertakes investor awareness programs through seminars and advertisements and direct communication with investors to educate investors of their rights and obligations. NSE provides weekly information to investors on their trades and asset balances with trading members. NSE has also undertaken substantial process simplification making it easier for claims to be made by clients of members who have been declared as a defaulter by NSE. All these efforts are aimed at ensuring the trust of investors in the market ecosystem.

On the clearing and settlement front, NSE Clearing Limited (NCL) has been regularly rated AAA by CRISIL for more than a decade now. It is the strongest clearing corporation in the country with sound financial track record. It has a Core Settlement Guarantee Fund (Core SGF) of more than ₹ 3,500 crores as on March 2021. Risk Management is a core function of NCL to ensure stability and trust in markets.

Our non-exchange businesses have done well and have growth potential. We have also successfully closed a few acquisitions in these businesses as outlined in the Board's Report.

In our endeavour to bring together international and Gujarat International Finance Tech-City (GIFT) participants to create a bigger liquidity pool for Nifty products in GIFT City, NSE has entered into an agreement with Singapore Exchange (SGX) for operationalising the NSE IFSC-SGX Connect. This connect is one of the key developments for the integration of GIFT City ecosystem with the international financial markets. It would lead to development of vibrant

and liquid markets for India, access products at GIFT City with an ease of access for international investors and will broaden the international and domestic participant base and further strengthen the capital market ecosystem in GIFT city resulting in more broad based development across asset classes and capital raising activity.

NSE continued to deliver robust financial performance. The consolidated revenue of NSE Group for FY 2020-21 was ₹ 6,202 crores (y-o-y increase of 59%). Of this, the core operations contributed 91% of the revenue. The Profit before tax was ₹ 4,465 crores and the Profit after tax was ₹ 3,573 crores (y-o-y increase of 90%).

It is noteworthy that, for the year FY 2020-21, while the EBIDTA margin for the Group was 76%, the ratio of Profit after Tax to Revenue was 58%. The Return on Capital Employed (ROCE) was 37%. With this, NSE continues to be in the top decile amongst the leading exchanges globally in terms of financial performance. The Company believes in creating long term value for its shareholders.

NSE group has been at the forefront of being a socially responsible corporate citizen. It believes that a well-rounded institutional model needs to craft an equitable balance between its business imperatives and social good. During the year FY21, the Company has added skill development and funding of incubators in academic institutions and other agencies as areas of focus in addition to the previously identified themes namely primary education, elder care, water, sanitation and hygiene. NSE Foundation, a CSR arm of the NSE group, has undertaken several

initiatives under these themes.

Going forward, as a country, we are well positioned for growth. As stated earlier, it is expected that Indian Capital Markets will remain robust mainly due to overall positive economic fundamentals and stable and supportive policy environment. This will also provide further fillip to the growth and participation in the Indian capital markets.

I would like to express my sincere gratitude to all the Board members for their commitment and valuable inputs.

I would also like to take this opportunity to thank the Government, Regulators, all our shareholders and other stakeholders for their continued support and confidence in NSE.

I would like to place on record my sincere appreciation to all the employees, especially during these challenging times of global pandemic, for their relentless hard work and commitment to ensure seamless functioning of the markets.

Our thoughts remain with those around the world affected by the pandemic. NSE sincerely hopes that you and your family remain healthy and safe.

G. C. Chaturvedi
Chairman

Board of Directors



Mr. Girish Chandra Chaturvedi

Chairman and Public Interest Director

Mr. 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. Mr. 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 retirement from the Indian Administrative Service) during 2014- 2018.

Mr. 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 a 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.



Mr. Vikram Limaye

Managing Director and CEO

Mr. Vikram Limaye is the Managing Director and CEO of your Company. Prior to joining NSE, he was the Managing Director & CEO of IDFC Limited, a diversified financial services conglomerate. He started his professional career with Arthur Andersen in Mumbai in 1987 while pursuing his Chartered Accountancy and worked in the audit and business advisory services groups of Arthur Andersen, Ernst & Young and the consumer banking group of Citibank before going to the US in 1994 to pursue a MBA. After completing his MBA, he worked on Wall Street in USA for 8 years with Credit Suisse First Boston in a variety of roles in investment banking, capital markets, structured finance and credit portfolio management before returning to Mumbai, India in 2004.

He has contributed to various committees of

government and industry associations on a range of topics surrounding infrastructure, economic policy, markets, trade, minority affairs etc. He has been a speaker at various domestic and international conferences and has been part of international government delegations for infrastructure and foreign direct investments into India. Currently he is the Chairman of the Working Committee of the World Federation of Exchanges (WFE) and also a member of the Board of Directors of WFE.

He completed his Bachelors in Commerce from HR College of Commerce & Economics, Chartered Accountancy and a MBA in Finance and Multinational Management from The Wharton School of the University of Pennsylvania, USA.

He has been associated with your Company since July 17, 2017.



Ms. Anuradha Rao
Public Interest
Director

Ms. Anuradha Rao is a Public Interest Director of your Company. She is a former Deputy Managing Director, Strategy & Digital Banking, State Bank of India and was also the MD & CEO of SBI Mutual Funds.

She over the years and in various roles, drove strategies to establish SBI in leadership position in Mobile banking, IMPS, UPI, & Bharat QR., NETC and Metro/Transit solutions, NCMC technology adoption, Drove unique 3-pronged Yono Project which provides: omnichannel banking services, Financial Superstore, Online Marketplace,

establishing SBI as largest Home Loan lender, establishing SBI as largest Auto Loan lender and establishing SBI as leading player in the Private Employer Corporate Salary space.

Ms. Anuradha Rao has pursued Post Graduation from University of Hyderabad. She is also an Associate of the Indian Institute of Bankers and an Alumni of CAFRAL.

She has been associated with your Company since November 08, 2019.



Mr. K Narasimha Murthy
Public Interest
Director

Mr. K Narasimha Murthy is a Public Interest Director of your Company.

Mr. K Narasimha Murthy, having brilliant academic record, getting ranks in both CA & 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. In addition, he is closely associated with turning around of many large Corporates, focusing on systems improvement with 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.



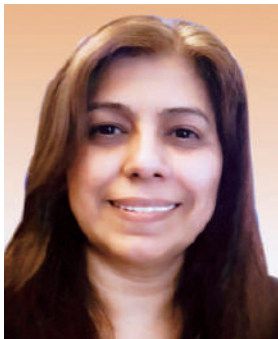
Prof. S Sudarshan
Public Interest
Director

Prof. S Sudarshan is a Public Interest Director of your Company.

Prof. S Sudarshan 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.



Ms. Mona Bhide
Public Interest
Director

Ms. Mona Bhide is a Public Interest Director of your Company.

She is the Managing Partner in Dave & Girish & Co., Advocates. Ms. Bhide has been in legal practice since the year 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. Ms. 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.

Ms. 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 the 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 the ANZ Grindlay's Bank against NHB on the biggest ever securities scam played 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.



Mr. Prakash Parthasarathy
Shareholder Director

Mr. Prakash Parthasarathy is a Shareholder Director of your Company. He is the Managing Partner of Sanctum Management Pte. Sanctum manages and advises families, their philanthropic institutions and global endowments and fiduciary institutions on long-term investment initiatives. Prior to Sanctum, he was the founding Managing Partner & Chief Investment Officer of PremjiInvest, an investment office serving

Azim Premji (Chairman, Wipro) and his Foundations. Mr. Prakash Parthasarathy joined as the founding CIO of PremjiInvest in 2006, was responsible for the firm's strategy and operations across all asset classes in India, China and the US and led the Investment Committee of the firm.

He has been associated with your Company since May 30, 2012.



Ms. Sunita Sharma
Shareholder Director

Ms. Sunita Sharma is a Shareholder Director of your Company. She was Managing Director and Executive Director of Life Insurance Corporation of India from April 2017 to March 2019. She served as Managing Director, Chief Executive Officer and Executive Director of LIC Housing Finance Limited from November 5, 2013 until April 11, 2017. She has worked with the Life Insurance Corporation of India where she was in different departments including housing finance and accounts. She has vast Experience in Insurance

and Housing Finance. She has served in various positions at Life Insurance Corporation of India such as Secretary (Personnel and Industrial Relations), as an Executive Director of P&GS and as its Chief of Personnel of Central Office. She has been a Non-Executive Director at Larsen & Toubro Limited since April 1, 2015. She holds a Master's Degree in Science from the University of Delhi, New Delhi.

She has been associated with NSE since October 19, 2016.

Management discussion & analysis



A synchronised global slowdown witnessed in 2019 owing to US-China trade tensions, Brexit and idiosyncratic factors in key emerging markets including India further worsened with the COVID-19 outbreak in early 2020. Partial/comprehensive lockdowns and social distancing norms adopted by countries across the globe have had a significant adverse impact on global economic and trade activity in FY 2020-21.

The global economy in calendar 2020 witnessed recession, with the International Monetary Fund (IMF) pegging global growth at -3.3%. The contraction was limited by

unprecedented, timely and effective fiscal and monetary policy support provided by Governments and Central Banks. The measures included sharp cuts in policy rates, massive liquidity

injection, credit extension to stressed/vulnerable sectors, and a slew of benefits to households and firms.

While the manufacturing sector has almost returned to pre-pandemic levels, supported by policy impulses and gradual easing of restrictions, demand for contact-intensive services

such as travel, entertainment and hospitality have remained subdued even a year into the pandemic. Reopening of economies in mid-2020 triggered a second wave of infections in several countries, leading to re-imposition of restrictions. The global health infrastructure continues to remain under pressure, even as

gradually expanding vaccination coverage is expected to reduce the severity and frequency of infections. The IMF projects global growth to rebound meaningfully in calendar 2021 and 2022, supported by enhancement in fiscal policy measures and ongoing vaccination drives.

Indian Economic Overview

The COVID-19 pandemic spread and Government precautionary measures as a nationwide lockdown, accompanied with relaxation in phased manner, exacerbated the slowdown in the Indian economy that had persisted for the previous three consecutive years. The economy came to a near standstill for the major part of the first quarter of FY21, leading to the worst-ever-contraction of -24.4% YoY during the quarter. Accompanied with strong monetary and fiscal support, the annual GDP contraction was -8% in FY21—the first contraction in 41 years.

COVID-induced supply-side disruptions and a rebound in commodity prices in the second half resulted in headline retail inflation overshooting the RBI's target range in FY21. With an aim to mitigate the impact of COVID-19 pandemic on the economy and financial markets, the RBI announced a 115/155bps cut in the policy repo/ reverse repo rate and a 100bps cut in cash reserve ratio in calendar 2020. This followed a 135bps reduction

in policy rates the previous year. Additionally, the RBI undertook a slew of unconventional measures to ensure adequate systemic liquidity and reduce financial distress. These included long-term repo operations (LTROs) and targeted LTROs, Operation Twists (OTs), moratorium on loan repayments, regulatory forbearance as well as refinance facilities and liquidity support for mutual funds.

The Government of India introduced fiscal stimulus in a phased manner. According to the Economic Survey 2020-21, the total stimulus provided by the Government amounted to ~₹30 trillion which was roughly 15% of GDP, of which Atmanirbhar Bharat Package accounted for ~₹17 trillion. Measures announced in the initial phase of lockdown were aimed at supporting lives and livelihoods comprising of cash transfers and food security to poor and migrant workers. Subsequently, the focus shifted towards providing aid to all crucial sectors and segments of the economy, primarily in the form of liquidity and credit support.

Despite a significant shortfall in tax collections in the wake of an unprecedented economic shock caused by the pandemic, the Government enhanced its capital spending, resulting in the Centre's gross fiscal deficit rising to 9.5% of GDP in FY21. For FY22, the fiscal deficit target is pegged at 6.8% of GDP, reflecting the focus on reviving growth through higher capital expenditure.

India's external vulnerability dropped during the year, with current account balance expected to turn surplus in FY21 for the first time in 17 years. Persistent lower crude oil prices during the first half of FY21, coupled with decline in domestic demand owing to COVID-19-induced restrictions and increase in consumers' propensity to save in times of uncertainty, led to a sharp drop in trade deficit during the year. Further, a renewed global risk-on environment led to record-high foreign capital inflows into India in FY21. All these factors supported the INR against a weak USD, even as gains were constrained by aggressive dollar purchases by the RBI.

Capital market scenario and its impact on NSE

The FY 2020-21 turned out to be a very strong year for equity markets across the world despite an extreme economic and social strain caused by the

COVID-19 pandemic. Following a sharp sell-off in Q1 2021 amid worsening outbreak and consequent declaration of the virus as a global pandemic by the WHO, global equity markets recovered sharply beginning April 2020. Positive cues around development of

COVID-19 vaccine—the fastest vaccine ever developed—further supported market sentiments. The global rally strengthened towards the end of calendar 2020 in the wake of vaccine rollouts, enhanced policy support, abating US election uncertainty and

a provisional trade-deal agreement between the UK and EU, even as emergence of new variants posed some concerns.

Indian equity markets moved broadly in tandem with major global equity markets in FY21. Indian equities saw record-high foreign portfolio inflows of US\$37 billion (~₹2.7 trillion) in FY21, resulting in Indian markets outperforming most major global markets during the year. The benchmark Nifty 50 Index ended the year 71% higher, accompanied with a 68% drop in market volatility (Nifty VIX). This was significantly higher than the 55% and 52% returns generated by

MSCI Emerging Market and Developed Market Indices respectively. Market turnover also witnessed a significant jump in the financial year, with average daily turnover in equity cash and derivative markets (premium) rising by 70% and 31% respectively.

Domestic institutional investors, however, remained net sellers of Indian equities, with net outflows of ~₹1.3 trillion, reflecting moderation in retail inflows through the SIP (Systematic Investment Plan) route and higher redemptions. Monthly SIP inflows into domestic mutual funds averaged at ~₹80 billion in FY21 which were a tad higher at ₹83.4 billion in FY20. Direct

retail participation, on the contrary, strengthened meaningfully during the year—reflected in a sharp rise in new investor additions and increase in individual investors' share in the cash market turnover.

On the capital raising front, an amount of ₹14.8 trillion was raised through debt (including public and private placement with short-and long-term paper) as well as equity from the primary market during FY 2020-21 (as of March 31, 2021). In the equity market, the total amount raised was ₹ 2.3 trillion whereas the amount raised in debt market was ₹12.5 trillion.

Key Government initiatives

- **Liquidity, credit availability and financial stability:** The Government, along with RBI, announced a slew of measures to ease financial distress and credit crunch for companies and households, without hurting financial stability. The RBI's six-month moratorium on loan repayments and one-time restructuring scheme provided much needed relief to COVID-affected borrowers. The Government also announced liquidity and credit support measures in the area of MSMEs, Healthcare, DISCOMs, NBFCs, etc.
- **Employment:** Allocation to the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) was raised to ₹ 1 trillion in FY21—the highest ever, as well as to the PM Garib Kalyan Rozgar Yojana (PMGKRY) to provide job opportunities to rural and migrant workers. To incentivise formalisation and create new employment opportunities, the Atmanirbhar Bharat Rozgar Yojana Scheme was launched in November 2020, whereby the Government

provided subsidies on new employment to EPFO-registered establishments.

- **Capital Budget:** The Government enhanced its capital and industrial spending in FY21 and provided for an even higher expenditure in the FY22 budget. Several measures to boost investment in housing and infrastructure, including enhanced outlay for urban housing, tax benefits for developers and home buyers, and relief to contractors working on Government projects, were announced in October 2020. Establishing a Development Financial Institution (DFI) for infrastructure financing will help in alleviating funding constraints faced by the infrastructure sector.
- **Production Linked Incentive (PLI) Scheme:** To boost domestic manufacturing, increase global competitiveness and facilitate employment, production-linked incentives were announced for 13 sectors including electronics, pharmaceuticals, medical devices, automobile & auto components, batteries, telecom products and food products, among others.

- **Privatisation and asset monetisation:** The Government announced setting up an institutional framework for asset monetisation and privatisation of central public sector enterprises (CPSEs) with an aim to augment revenues and bring about transparency and efficiency. This includes creation of a national asset monetisation pipeline and privatisation of CPSEs in non-strategic sectors.
- **Stressed Asset Resolution:** An Asset Reconstruction Company and Asset Management Company would be set up to consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realisation.
- **Foreign Direct Investment (FDI):** India remains one of the most open economies, with 100% FDI permission under the automatic route for all major sectors. Last year, the Government also raised FDI limit in insurance from 49% to 74%. Net FDI in calendar 2020 rose by 40% to ~US\$52 billion.

Outlook

The Indian economy witnessed a resilient normalisation in business activities despite a surge in COVID cases towards the latter part of FY21. While rural demand has stayed strong through the crisis, urban demand showed signs of revival in the second half of FY21, aided by a strong festive season. Onset of the deadlier second wave of COVID-19 in mid-February 2021 and renewed restrictions, however, have temporarily delayed the recovery process that was underway until March 2021. That said, the decentralised and targeted restrictions

implemented by states during the second wave as opposed to a nationwide lockdown last year ensured that the economic ramifications remain contained.

Even as the COVID-induced challenges are likely to persist in the near-term, the Indian economy is now better prepared to deal with them, thanks to gradual adaptation to the new COVID-appropriate working environment. An expected pick-up in the pace of inoculations and sustenance of a coordinated policy support should provide an added support to kick-start

the economy.

Notwithstanding a temporary roadblock caused by the pandemic, India's economic fundamentals remain strong, with robust medium-term growth prospects, low current account deficit and adequate forex reserves. As such, India continues to be an attractive destination for investments. The private investment climate is also expected to revive in the medium-term, supported by low interest rates, improvement in domestic as well as external demand, strengthening corporate balance sheets and increase in capacity utilisation.

Risks and concerns

While India's medium to long-term fundamentals remain strong, the domestic capital market and especially foreign capital inflows are, to a large extent, susceptible to developments in the global economy. An improving US economy with a strengthening dollar weigh on the INR, particularly with

the rise in domestic liquidity on the commitment to growth by the RBI. A sharp spike in international commodity prices and increase in global financial market volatility in Q4 FY21, if they persist, may spill-over to the domestic economy and financial markets. Renewed tightening of restrictions by several state governments in the wake of surge in COVID-19 cases

beginning mid-February 2021 may delay the economic recovery. On the positive side, an increase in pace of vaccinations to cover wide sections of the population, continued improvement in consumption demand and a coordinated fiscal and monetary support may accentuate the pace of recovery.

Internal control systems and their adequacy

The 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 regulatory requirements. The 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.

NSE Standalone Financial performance (FY 2020-21): During FY 2020-21, total revenue increased by around 69% from ₹ 3,229.89 crores for FY 2019-20 to ₹ 5,466.05 crores for FY2020-21.

The total expenditure (including Contribution to IPFT and Reversal / Contribution to Core Settlement Guarantee Fund) for FY 2020-21 was ₹ 3,190.51 crores as compared to ₹ 1,175.21 crores for FY 2019-20, an increase of 171%.

The total profit before tax for FY 2020-21 was ₹ 2,275.54 crores as against ₹ 2,054.68 crores for FY 2019-20,

an increase of around 11% over the previous year.

The total provision for tax (including deferred tax) for FY 2020-21 was ₹ 488.26 crores as against ₹ 494.22 crores for FY2019-20.

The total profit after tax for FY 2020-21 was ₹ 1,787.28 crores as against ₹ 1,560.46 crores for FY 2019-20, an increase of around 15% over the previous year.

Operating revenues

Transaction charges: During the year, an upward trend continued with around 77% increase in the income from transaction charges from ₹ 2,387.77 crores for FY 2019-20 to ₹ 4,235.62 crores for FY 2020-21. The average daily turnover (billable) on the Exchange during FY 2020-21 was ₹ 61,928 crores in the cash market (CM segment) as against ₹ 36,480 crores for FY 2019-20, indicating an increase of around 69.76%. In the Equity F&O segment, the average daily turnover (billable) for FY 2020-21 was ₹ 1,21,868 crores as against ₹ 92,538 crores for FY 2019-20, indicating an increase of around 31.70%. In the currency derivatives segment, the average daily turnover (billable) for FY 2020-21 was ₹ 23,422 crores as against ₹ 19,835 crores for FY 2019-20, indicating an increase of around 18.08%.

Listing fees: During the year, there was an increase of around 4% in the income from listing fees from ₹ 91.66 crores for FY 2019-20 to ₹ 95.41 crores for FY 2020-21. The Exchange, as of March 31, 2021, had 1,968 listed companies. The total market capitalisation of these companies, as of March 31, 2021, stood at around ₹ 202.96 lakh crores.

Book building fees: During the year, the total book building fees increased to ₹ 24.36 crores for FY 2020-21 from ₹ 11.01 crores for FY 2019-20.

Processing fees: During the year, the total Processing fees increased to ₹ 25.34 crores for FY 2020-21 from ₹ 14.21 crores for FY 2019-20.

Colocation charges: During the year, the total Colocation charges increased from ₹ 166.14 crores for FY 2019-20 to ₹ 274.06 crores for FY 2020-21 due to an increase in occupancy of racks and subscription of connectivity.

Other Operating Income: During the year, other operating income increased from ₹ 101.43 crores for FY 2019-20 to ₹ 119.19 crores for FY 2020-21.

Interest and other investment income: During the year, the total investment income increased from ₹ 440.85 crores for FY 2019-20 to ₹ 674.20 crores for FY 2020-21 mainly due to one-time gain on sale of ETF & balanced funds and mark to market gains.

Other income: During the year, other income increased from ₹ 16.82 crores in FY 2019-20 to ₹ 17.86 crores for FY 2020-21.

Expenditure

IT and telecom expenses: During FY 2020-21, total IT and telecom expenses (includes Repair & maintenance – trading & computer system, IT Management & Consultancy charges, software expenses, leased line charges, web trading related expenses and network infrastructure management charges) were ₹ 355.22 crores as compared to ₹ 222.30 crores for FY 2019-20.

Clearing and settlement charges: NSE Clearing Limited (NCL), a wholly owned subsidiary of the Exchange, carried out the clearing and settlement of trades. During the FY 2019-20, as prescribed by SEBI, interoperability framework among Clearing corporations was implemented which allowed 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 the increase in income from transaction charges, the clearing and settlement charges increased from ₹ 178.66 crores for FY 2019-20 to ₹ 284.94 crores for FY 2020-21.

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 the Company to attract and retain the best talent available. In this direction, the Company continues to take various initiatives to follow best practices in HR and also keeps benchmarking with other forward-looking organisations. During FY 2020-21, the Company

took a number of HR initiatives in the areas of employee development and training as well as various staff welfare measures. During the FY 2020-21, employee related expenses stood at ₹ 212.14 crores, which was ₹ 206.19 crores for FY 2019-20. Total Number of employees as on March 31, 2021 were, 1,002 employees.

Depreciation: Depreciation increased by around 25% from ₹ 132.40 crores for FY 2019-20 to ₹ 166.15 crores for FY 2020-21.

Other expenses: During the year, other expenses increased by around 10% from ₹ 373.58 crores for FY 2019-20 to ₹ 412.09 crores for FY 2020-21.

Financial statement as on March 31, 2021

Share capital: The total paid-up capital of the Company, as on March 31, 2021, was ₹ 49.50 crores divided into 49,50,00,000 equity shares of Re.1 each.

Reserves and surplus: The total reserves and surplus, as on March 31, 2021, stood at ₹ 8,119.67 crores comprising securities premium of ₹ 35.50 crores, investor compensation reserve of ₹ 10 crores, staff welfare reserve of ₹ 1.50 crores, other reserves of ₹ 72.03 crores, and retained earnings account of ₹ 8,000.64 crores.

Thus, the total net worth of the Company, as on March 31, 2021, was ₹ 8,169.17 crores and book value was ₹ 165.03 per share.

Deposits from members (Unsecured):

The total deposits from members, as on March 31, 2021, stood at ₹ 990.76 crores as against ₹ 1,009.87 crores as on March 31, 2020.

Fixed assets: The total gross block (including capital WIP), as on March 31, 2021, was ₹ 1,911.54 crores. Total accumulated depreciation up to March 31, 2021 was ₹ 1,100.03 crores. Net fixed assets (including capital WIP) were ₹ 811.51 crores. As part of the total investments in technology, during FY 2020-21, the total additions to fixed assets were ₹ 337.90 crores, mainly pertaining to the trading systems, computer systems, telecom equipment and computer software. Total deletions at cost were ₹ 84.66 crores.

Investments: The prudential policy of the Company permits it to invest both 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, 2021, the total non-current investments were ₹ 2,891.76 crores as against ₹ 3,085.65 crores as on March 31, 2020. Current investments were ₹ 4,450.00 crores as on March 31, 2021, as against ₹ 2,704.05 crores as on March 31, 2020.

Other non-current and current

assets: Total other assets (non-current and current) as on March 31, 2021 stood at ₹ 3,938.92 crores, comprising interest accrued on investments and fixed deposits amounting to ₹ 31.24 crores, trade receivables amounting to ₹ 834.82 crores and cash and bank balances, fixed deposits and certificates of deposits amounting to ₹ 1,507.88 crores, Other current assets of ₹ 470.29 crores and non-current assets of ₹ 1,094.69 crores.

Other non-current and current

liabilities: Total other liabilities (non-current and current), as on March 31, 2021, stood at ₹ 2,932.27 crores mainly comprising trading member deposits amounting to ₹ 990.77 crores, security deposits as per listing agreement amounting to ₹ 56.75 crores, securities transaction tax of ₹ 1,697.12 crores, provision for leave encashment of ₹ 15.04 crores, other current liabilities amounting to ₹ 1,073.29 crores and other non-current liabilities amounting to ₹ 90.07 crores.

Taxation: The total provision for tax (including deferred tax) FY 2020-21 was ₹ 488.26 crores, as against ₹ 494.22 crores FY 2019-20. During the year, due to one-time sale of ETF & balance funds, the effective tax rate for FY 2020-21 is 23.56%.



NSE continued to deliver robust financial performance. The consolidated revenue of NSE Group for FY 2020-21 was ₹ 6,202 crores (y-o-y increase of 59%). Of this, the core operations contributed 91% of the revenue. The Profit before tax was ₹ 4,465 crores and the Profit after tax was ₹ 3,573 crores (y-o-y increase of 90%).

Corporate Information

Core Management Team

MR. VIKRAM LIMAYE	MD & CEO
MR. RAVI VARANASI	Chief Business Development Officer
MR. YATRIK VIN	Group CFO & Head Corporate Affairs
MS. PRIYA SUBBARAMAN	Chief Regulatory Officer
MR. SHIV KUMAR BHASIN	Chief Technology and Operations Officer
MR. G SHENOY	Chief Technology Officer
MR. SOMASUNDARAM KS	Chief Enterprise Risk & Information Security Officer
MR. SAUROV GHOSH	Group Head - Human Resources
MR. M VASUDEV RAO	Group General Counsel
MR. ROHIT GUPTA	Company Secretary w.e.f. December 01, 2020
* MR. J RAVICHANDRAN	Group President retired on March 31, 2021
*MR. S MADHAVAN	Company Secretary retired on November 30, 2020

Significant employees of our Subsidiaries

MR. VIKRAM KOTHARI	Managing Director – NSE Clearing Limited
MR. MUKESH AGARWAL	Managing Director – NSE Data & Analytics Limited & NSE Indices Limited
MR. MURALIDARAN N	Managing Director & CEO – NSEIT Limited

Other Information

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



**INTEGRATED
REPORT**

About this report

This report presents our second 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 6.2.2017 (SEBI/HO/CFD/CMD/ CIR/P/2017/10) that encourages the top 500 listed companies by market capitalisation 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:

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

The principles of the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of business

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

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 the 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 2020-21. The contents presented in this report pertain to the 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. The initial sections of the report

introduce our enabling environment to put into context our performance in light of the unprecedented COVID-19 pandemic. We elucidate our strategy and initiatives employed to ensure progress on our strategic intent despite the challenges posed by the pandemic. Subsequently, our "material topics" define the contours of the report. These "material topics" have been categorised 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 connotations. 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 second 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.

Performance highlights

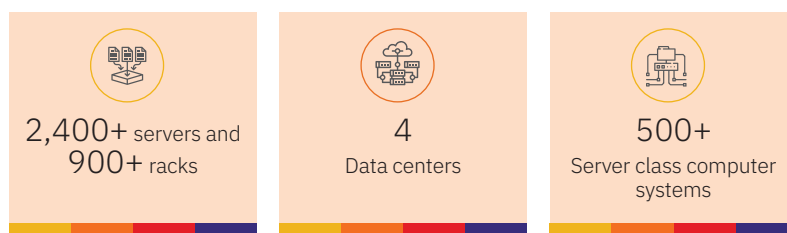
Financial Capital



Intellectual Capital



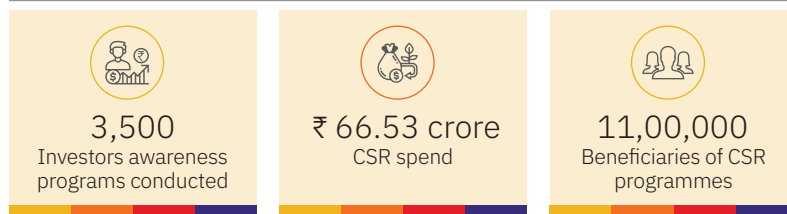
Manufactured Capital



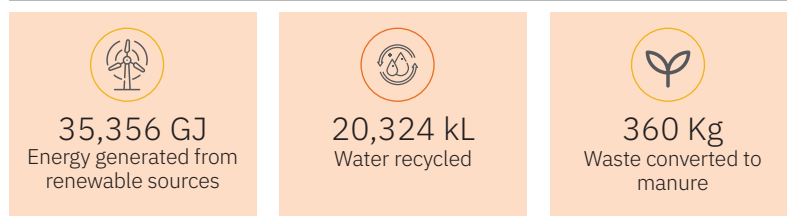
Human Capital



Social and Relationship Capital



Natural Capital



Entrenching sustainability in our business



Engaging with our stakeholders¹

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 the 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, 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 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 the 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

1. Those affected by our business directly or indirectly
2. Who significantly influence our business

¹Information in line with BRR Principle 4, Question 1 and 2



Post identification, 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.

Stakeholder group	Mode of engagement ² and initiatives undertaken this year	Key interests
Employees	<ul style="list-style-type: none"> Employee engagement survey Training and development programmes 	<ul style="list-style-type: none"> Welfare and career growth
Regulators Government of India (GOI), SEBI, RBI, PFRDA, EPFO, IRDA & WDRA	<ul style="list-style-type: none"> Periodic meetings and submissions to SEBI, GOI, RBI and other officials Engagement with SEBI on the Unified Information infrastructure (UII), a cloud based portal for allowing Market Intermediaries to have unified access to SEBI/MIIs with respect to admission and other compliance requirements. Need based engagements through virtual modes 	<ul style="list-style-type: none"> Policy and regulatory matters
Customers (Trading members, data vendors, listed companies, investors in Indian capital markets, foreign portfolio investors)	<ul style="list-style-type: none"> One-on-one / group meetings / webinars Member helpdesk – phone calls and emails Group meetings / webinars Periodic regulatory filings by members 	<ul style="list-style-type: none"> Compliance and regulatory matters Product and service related matters
Key partner service providers (TCS, Oracle, VMware, Airtel, CISCO etc.)	<ul style="list-style-type: none"> Technology conferences Webinars and training Meetings and regular calls E-mails 	<ul style="list-style-type: none"> Adherence to delivery standards and timelines
Investors and shareholders	<ul style="list-style-type: none"> Educational programmes E-mails and periodic SMS alerts Periodic fair and transparent disclosures Periodic interactions with shareholders Electronic / social media campaigns 	<ul style="list-style-type: none"> Sustainability and resilience of financial performance and business operations
Market service providers (Clearing banks, professional clearing members, custodians & depositories, data and information vendors, front and back office service providers, data analytic service providers, algo vendors)	<ul style="list-style-type: none"> Digital interface for registration Group meetings Phone / E-mail support Periodic discussions 	<ul style="list-style-type: none"> High quality service and final output Technology upgradation Skilling and capacity-building
Other exchanges and depositories	<ul style="list-style-type: none"> NSE website / circulars Various fora 	<ul style="list-style-type: none"> Information-sharing and coordination on regulatory matters
Society (Students, NCFM candidates, participants of financial awareness programmes, local communities, NGO partners)	<ul style="list-style-type: none"> Capacity-building programmes Periodic engagement through calls, E-mails, in-person meetings and other digital channels 	<ul style="list-style-type: none"> Effectiveness of CSR interventions Need and impact assessment studies Financial literacy and education programs
Academic institutions	<ul style="list-style-type: none"> Symposiums Round tables White papers Joint publishing activities facilitated by digital tools and meetings 	<ul style="list-style-type: none"> Quality research on capital markets and economy

²Most of the meetings were conducted through virtual mode in view of constraints posed by the pandemic

Materiality Review

We conducted a materiality review exercise to appraise the relevance and applicability of the materiality assessment exercise conducted in FY 2020. 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 analysed. 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.







Elements of the materiality review exercise

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

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

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







Capitals	Material topic	KPI & SDGs in focus	Stakeholders in focus
Natural Capital	Climate Change	<ul style="list-style-type: none"> Emissions Renewable energy adoption <p>SDGs: Clean energy and climate action</p>  	Society, Investors
	Responsible resource management	<ul style="list-style-type: none"> Energy saved through energy saving initiatives Water recycled & reused <p>SDGs: Responsible consumption and production</p> 	Society, Investors
General Disclosure	Business ethics	<ul style="list-style-type: none"> 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 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 demutualised self-regulatory organisation (SRO), its shareholders Amount of legal and regulatory fines and settlements associated with fraud, anti-trust, anti-competitive, market manipulation, malpractice, or other business ethics violations <p>SDGs: Peace, Justice and Strong Institutions</p> 	Regulators

Facets of our value creation proposition

We remain dedicated to creating value for our stakeholders while being cognisant 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 details how we employ our resources to enable shared growth, inclusivity and sustainable development.

The six capitals are as illustrated below.

 <p>Financial Capital</p> <p>Our share capital, retained earnings and other financial assets</p>	 <p>Manufactured Capital</p> <p>Our fixed Infrastructural assets, encompassing our data centers and expansive technology infrastructure</p>	 <p>Intellectual Capital</p> <p>Our intangible assets, such as software, technologies, protocols & organisational knowledgebase</p>
 <p>Human Capital</p> <p>Our employees’ capabilities and experience</p>	 <p>Social and Relationship Capital</p> <p>Our invaluable relationships with our stakeholders and communities, built on trust and a collaboration-centric approach</p>	 <p>Natural Capital</p> <p>Natural resources that we are dependent on for our operational activities</p>

Our key focus areas (material topics) identified through the process of stakeholder engagement and materiality assessment have been categorised under respective capitals.

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 a 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 customisable 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

<p>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</p>	<p>Catalyse 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 that are well regulated</p>	<p>Maintain and upgrade infrastructure and technology, thereby bringing pioneering technologies and innovations to India’s financial markets</p>
<p>Forge partnerships and collaborations for a sustainable business</p>	<p>Cultivate an agile, innovation-centric, and collaborative work environment</p>	<p>Facilitate efficient capital allocation for large, small, medium enterprises and new-age technology companies</p>

2. Adapting our strategic interventions to the new normal

The global economy in FY 2020-21 witnessed the worst recession since the great depression, and the first since the Global Financial Crisis, as the COVID-19-induced containment measures severely affected global business, consumption, and trade activity. The extent of contraction, however, was curtailed by an unprecedented, timely and effective fiscal and monetary policy support provided by governments and central banks across the globe. While a continued surge in global infections and mounting pressures on healthcare infrastructure raised concerns, a gradual expansion in vaccination coverage is expected to reduce the severity and frequency of infections.

The pandemic has compounded the risk of an impending financial crisis. We believe that stock exchanges

can play a vital role in connecting the emerging financing gaps and mitigating the impacts of the credit crisis. Notwithstanding the huge macroeconomic shock caused by the COVID-19 pandemic, global equity markets rallied sharply, supported by a massive liquidity infusion by global central banks. A part of this global liquidity found its way into Indian equity markets, leading to record-high foreign capital inflows in FY 2020-21.

Also, data insights have revealed that there is a drastic shift in the mode of trading from computer to computer link systems (CTCL) to internet and mobile based trading platforms. This has further necessitated the need for ensuring that NSE remains the 'top of the mind' brand for the investors when it comes to investment through an exchange. We have taken efforts to strengthen the NSE's brand particularly on electronic media, social media and explored marketing through other new emerging channels such as

video streaming over-the-top (OTT) platforms.

Further, our objective is to remain a thought leader through participating in various online forums, seminars and conferences organised by reputed organisations, industry associations and other market intermediaries. Efforts are ongoing to provide necessary skills to our employees in developing technical content suited as per the audience as well as soft skills to ensure the delivery in all such programs adheres to high standards.

The proposed business approach would be reviewed periodically to analyse risks/impact due to any major changes in the market microstructure based on any regulatory interventions, the prolonged wave of COVID pandemic impacting the economic/business cycle, revision in regulatory policies impacting overall structure and functioning of the Market Infrastructure Institutions (MII) etc.

NSE's Strategic Plan

Short term priorities

- Encouraging and nurturing first-time investors onboarding the exchange
- Broad basing participation across asset classes. Consolidating leadership position in global equity and derivatives market
- Developing fixed income and fixed income derivatives market
- Bring innovative and differentiated products to commodity derivatives market. Enhance customer experience
- Develop product offerings that meets the needs of global investors and Indian investors' global investment access

- 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.
- Partnering with all stakeholders and hand-holding them during the challenging post-pandemic phase. Maintaining high standards of compliance and effective monitoring for market integrity and investor protection
- Build and operationalisation of fully automated DR-45 for Critical Market systems across NSE/NCL

ensuring RTO-45/RPO-15 mins compliance with latest SEBI circular

- Execute Design and Delivery of New Generation Surveillance Systems
- 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
- Ensure orderly conduct of markets by continually reviewing the supervisory framework and models

Medium term priorities

- To be the preferred exchange for the Government of India in the mobilisation of funds by way of disinvestment of stakes in public sector enterprises through public offerings and further issuances
- Develop a digital retail investor platform to empower investors with knowledge, skills, tools
- To emerge as the preferred exchange for raising funds through retail participants in the Government

securities (G-Sec), treasury bills and state development loans

- Revenue diversification away from transaction revenues through organic and inorganic initiatives in the ecosystem
- Create a national electronic market for agricultural products
- 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 Middleware interfaces across NSE and NCL applications for better robustness, stability and fault tolerance

Long term priorities

- Maintain leadership position in all product categories in India
- To attain a global leadership position across product categories within the exchange space
- To touch 25% of the Indian population with the bouquet of the product & service offerings
- Emerge as a thought leader in financial markets
- Develop capabilities to generate 50% revenues from non-transaction

sources. Further, within transaction revenues, 1/3rd to come from non-equity / equity derivatives

- Secure the position as the top player in commodity markets both spot and derivatives
- Consolidating leadership in all regulatory functions to effectively partner with Government/Regulators in further development of securities market
- Modernisation of Trading Platform i.e. high-volume asset classes upto

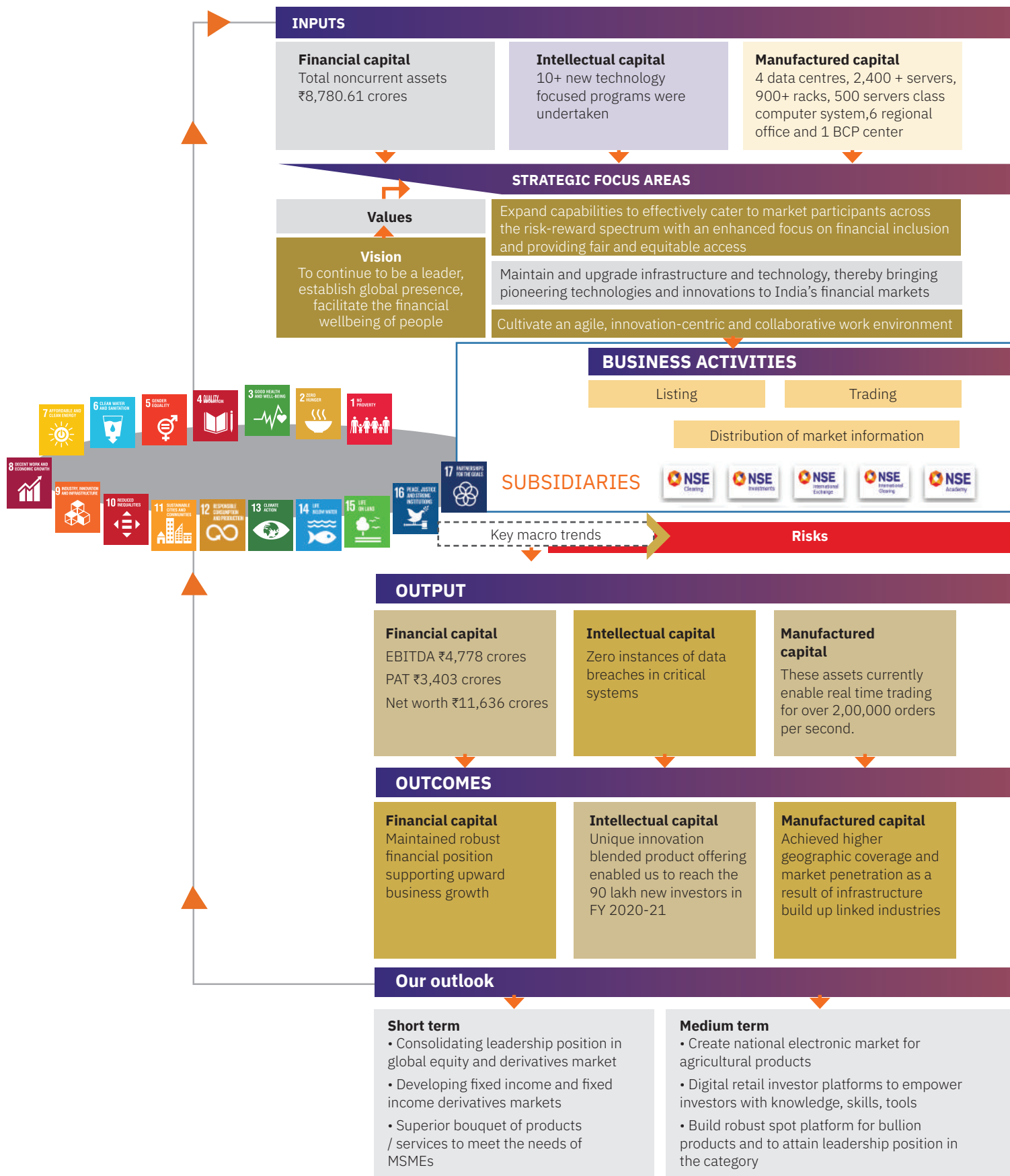
the range of 1 million orders/sec

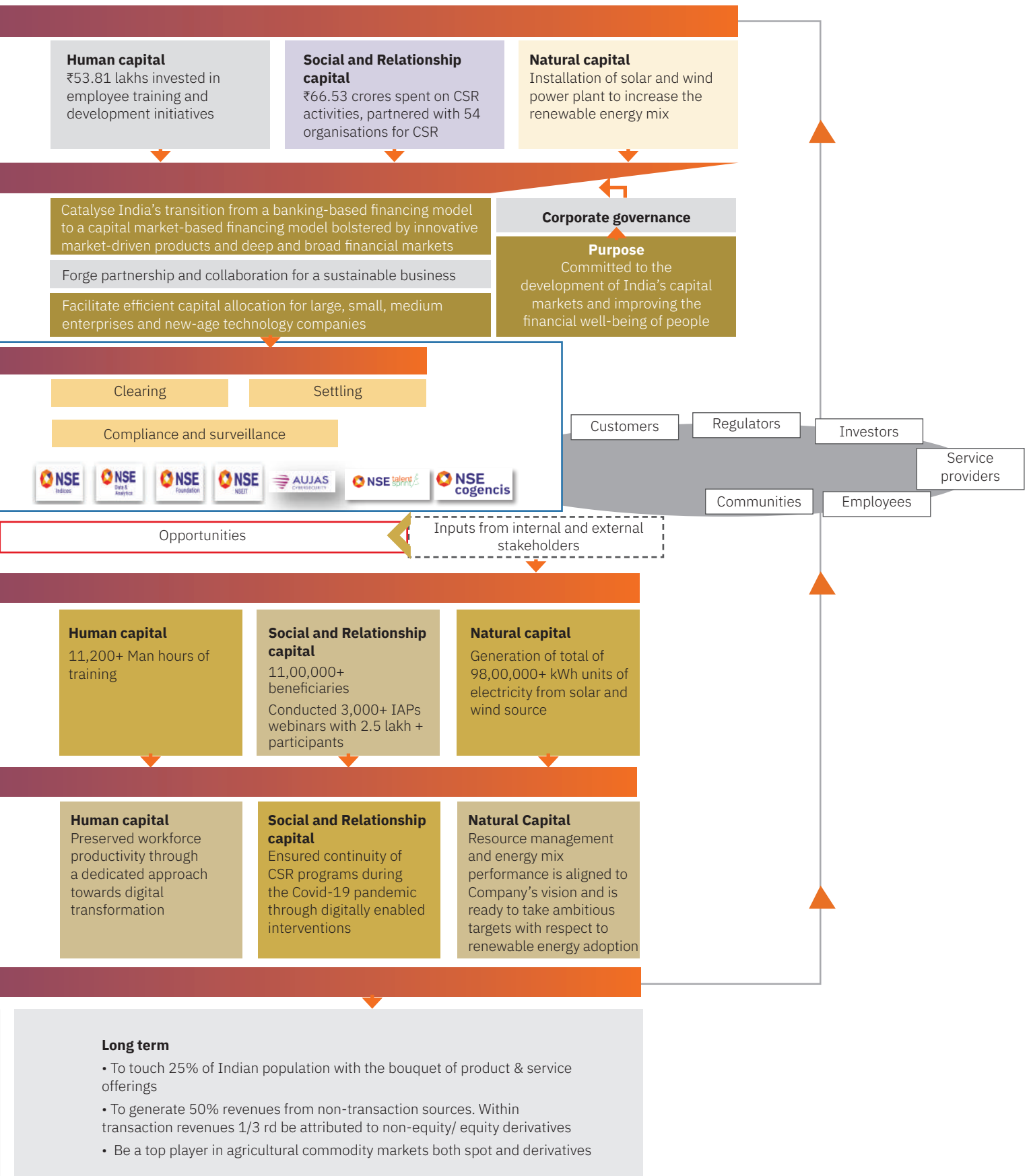
- Modernisation and Platform build for NCL Risk applications, NCL Collateral Management applications, NCL Core applications– Clearing & Settlement Datawarehouse Architecture, MIS & Advanced data analytics
- Execute Digital Transformation of Exchange, Clearing house and Regulatory touch points with the market stakeholders and business operations users

NSE's Strategy Roadmap

Short-term	Strategic objectives	Strategic enablers
	<ul style="list-style-type: none"> • Extend support to trading members through various customer care initiatives during the COVID-19 pandemic • The pandemic has enhanced the interest of trading members, investors, and the value chain at large to take up digital learning. We aim to provide skills/knowledge enhancement opportunities via webinars, online-training programs, and self-paced learning videos to impart education to all our stakeholders • Work towards consolidating and increasing market share. • Aim to maintain leadership position in derivatives • Aspire to garner cumulative subscription above ₹300 crores in the FY22 through retail participants in the Government securities (G-Sec), treasury bills and state development loans 	<ul style="list-style-type: none"> • Imparting product knowledge/ awareness to achieving portfolio diversification by investing in financial instruments that provide exposure to different asset classes such as equity, debt, gold, real estate, infrastructure, etc. • Capacity building in fixed income & fixed income derivatives and commodity derivatives • Streamlined, easy-to-use, trouble free technology platform • Ecosystem relevant products and services
Medium-term	Strategic objectives <ul style="list-style-type: none"> • Work towards increasing the number of registered investors equivalent to the number of income tax filers in India • Endeavor to be the designated exchange for the Government of India in public sector enterprises' public offerings and further issuances • Support new domestic institutional participants in respective asset classes and increase domestic institutional participant's market share • Endeavor to enable availability of single stock derivatives on top 500 stocks • Put forth efforts to retain the number one rank in derivatives globally based on the number of contracts traded • Work towards being amongst the top 5 exchanges in equities globally • Emerge as the preferred choice of venue to raise capital – equity and debt 	Strategic enablers <ul style="list-style-type: none"> • Product gap identification and launch of new products • Policy advocacy to bring in continuous improvement in regulatory policies • Algo / colo / strategy trading capacity building / skilling of dealers and clients • Regulatory facilitation to streamline access of international traders • Streamlining processes for capital raising • Seamless digital platform for distribution of all financial products
Long-term	<ul style="list-style-type: none"> • Extend support to trading members through various customer care initiatives during the COVID-19 pandemic • The pandemic has enhanced the interest of trading members, investors, and the value chain at large to take up digital learning. We aim to provide skills/knowledge enhancement opportunities via webinars, online-training programs, and self-paced learning videos to impart education to all our stakeholders • Work towards consolidating and increasing market share of all asset classes and retain almost ~100% market share in equity derivatives • Aim to maintain global leadership position in derivatives • Diversify revenue stream and increase share of non-exchange revenues 	<ul style="list-style-type: none"> • Organic / inorganic growth options in non-transaction revenue areas



3. Our Business Model























Financial capital

“Blending innovation, transparency, collaboration and an inclusion-oriented approach towards unlocking shared prosperity.”

Strategic Intent	Material topics	Performance highlight FY 2021	SDGs in focus	Outlook
Create financial value while ensuring value creation for the economy by stimulating growth opportunities and mitigating risks.	<ul style="list-style-type: none"> Financial Performance Indirect Economic Impact 	<ul style="list-style-type: none"> 216 companies listed on the SME platform 70% y-o-y growth in total revenue in FY 2021 We continued to be the world’s largest derivatives exchange for 2nd consecutive year 	 	Retain a strong financial position enabled by diversification of product and service offerings, infusing business model with next-generation technologies, and enhancing market inclusion.

	Capital in focus	Synergies explained	Stakeholders influenced	SDG contributions enabled through the interlinkage
Financial capital	Manufactured capital	Investments made in fixed assets elevates service offering capabilities. This strengthens our revenue prospects by attracting of the prospective customers and the retaining existing customer base.	Customers, shareholders	
	Intellectual capital	Investments made in software and IT-based intellectual property helps step-up our surveillance systems and provides superior customer experience. This in turn helps in reinforcing market integrity, stability, and customer confidence in our services.	Customers, shareholders, employees	 
	Human capital	Investments made in employee training, development and wellbeing enables innovation, creative ideation and instills a drive for excellence. This is central to our ability to create value for external stakeholders.	Employees, shareholders, customers	 
	Social and relationship capital	Investments in community development programs, investor awareness programs and thought leadership development helps us create social and economic value beyond our core business proposition. These investments are key to strengthening our stakeholder relationships and creating a conducive business environment.	Communities, academia, customers, employees, regulators	         
	Natural capital	Investment in resource conservation initiatives and decarbonisation of the economy helps us foster a long-term time horizon oriented approach to risks and opportunities. These investments enable us to live by our core values of sustainability and contribute to the resilience of our organisation.	Communities, shareholders	  

Capital Tradeoffs: Our company focuses on ensuring a balance between strategic investments made across the capitals. The investments made in intellectual, human and manufactured capital have a direct impact on elevating our service capabilities. Investments made in the other capitals strengthen our bottom line through indirect avenues, serving as key enablers of our long-term value proposition and stakeholder-inclusive approach to business.

Introduction

Our operational model built on innovation, digitisation, an inclusive approach, and robust governance systems has been the backbone of our strong financial position. The onset of the COVID-19 pandemic created a real-time stress test for the responsiveness and resilience of business models. The constraints posed by the pandemic accelerated the uptake of digital technologies across sectors. At NSE, our concerted efforts towards building our digital capabilities since inception supported us in effectively countering numerous challenges posed by the pandemic.

Our focus in terms of financial value creation remained on diversification of our customer base in tandem with strengthening the breadth and depth of our product portfolio. We continued making strategic investments to augment our customer-centric approach and service capabilities. At NSE, we strive to serve customers across scale and background by tailoring products to their unique needs covering a wide spectrum of risk appetite. Hence, the robust financial performance that we have recorded over the years is a culmination of our aspiration of contributing to the financial well-being of our customers and strengthening India's capital market.

1. Our financial performance

The pandemic caused a muted macroeconomic environment etched with uncertainties and challenges of unprecedented scale across sectors. Despite this backdrop, our group was able to deliver a consolidated revenue of ₹6,202.33 crores. Around 92%

71%

y-o-y growth in operating revenue noted in FY 2021

of the total revenue is attributed to operating revenue. Our Profit Before Tax (PBT) stood at ₹4,465 crores, which was ₹2,525 crores in the previous year. We report an EBITDA margin of 76% with the ratio of PAT to revenue at 58%.

In FY 2021, we retained our position of being the largest derivatives exchange in the world and stood 4th in the world in the cash equities segment by the number of trades. Along with securing these positions of leadership in the international canvas, we have been able to report a strong financial position this year as well. Our performance under crisis situations stands as a testament of our resilient and stakeholder-centric business model.

2. The economic value that we create

Stock exchanges play a vital role in enabling capital formation. Through its fundamental role, exchanges can hence support economic progress and entrench the principles of sustainability in the financial system. Our core business proposition is to facilitate access to capital and support effective capital allocation. By fostering a well-regulated and equitable ecosystem, we enable the mobilisation of financial resources for corporates and provide investors a platform to deploy funds. Our regulatory function that embeds market integrity and stability also contributes to financial stability and economic development.

While our core business enables us to contribute to economic development, we have also been committed to devising products and services that enhance our sphere of impact on the economy. The cornerstones of our approach to enhancing our economic impact, encompasses measures to in grain good corporate governance practices, efficacy in market transactions and stimulate market inclusion. Diversification of our customer base is an important focus area given the economic and societal

co-benefits that ensued through these efforts.

2.1. Stimulating diversified market-participation to galvanise growth

In line with our commitment to fostering vibrant and diverse market participation, we have been focusing on solutions that cater to SMEs and retail investors. Both these segments of our customers play an indispensable role in unlocking growth prospects for the economy. By providing an equal opportunity platform that encourages the participation of retail customers, the economic benefits accrued are immense. While a diversified investor base provides an attractive proposition for issuers, enhanced retail customer participation also provides individual investors from varied backgrounds access to alternate investment opportunities.

SMEs are the growth engines of the economy. Infusing capital into SMEs presents a multifold value proposition for the economy. Some key avenues of value creation through investments in SMEs include job creation, augmenting GDP growth, promoting innovation in the economy among other economic developmental opportunities.

SME EMERGE

With the vision of facilitating access to capital and anchoring capacity building of SMEs, we launched the SME EMERGE platform in 'the year 2012. The platform has grown from strength to strength since its 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

3,299

(₹ crore) in FY 2021.

SME EMERGE at a glance			
Performance indicator	FY 2020-21	FY 2020-20	FY 2018-19
Number of companies listed on SME EMERGE (cumulative)	216	208	195
Number of SMEs listed in FY 2021 (new listings)	8	13	62
Mobilisation of capital through SME IPOs	₹ 79.47 crore	₹174.67 crore	₹1,048.56 crore
Number of Companies migrated on main board	39	24	3

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

- Relaxation in entry and reporting requirements:** In terms of reporting, SMEs 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.
- Capacity building programs:** Awareness building initiatives are organised 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.

We at NSE are committed to supporting the government in the nation's battle against the pandemic by alleviating the difficulties faced by SMEs and other participants in our ecosystem. Consequently, we have provided a 25% rebate on the annual listing fees for

SMEs currently listed on the EMERGE platform.

















We actively scout for prospective SMEs for the platform by collaborating with state governments and the local bodies. We have also signed a MoU with Small Industries Development Bank of India (SIDBI) to ideate and assess the feasibility of establishing a debt capital platform for SMEs. We continue to build our capabilities and networks towards creating novel solutions to fuel the growth of India's SME ecosystem.

In FY 2021 we conducted **145** 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 2021	SDGs in focus	Outlook
Nurturing innovation centricity and digitisation towards reinforcing service quality and security	<ul style="list-style-type: none"> Innovation & technology Market integrity & stability Business continuity & technology risk 	<ul style="list-style-type: none"> In FY 2021, our cash spend on capital and operational expenses pertaining to technology was approximately 900 crores We have a strong technology workforce of approximately 1500+ people 		Continue making sustained technology focused investments to integrate next-generation digital capabilities in services and supervisory activities

	Capital in focus	Synergies explained	Stakeholders influenced	SDG contributions enabled through the interlinkage
Intellectual capital	Manufactured capital	Our technology and innovation roadmap guides manufactured capital linked investments.	Customers, shareholders	
	Financial capital	Our digitally enabled value proposition has helped us develop distinct service capabilities. This has further helped us in emerging as the service provider of choice which is at the crux of our financial value creation.	Customers, shareholders, employees	 
	Human capital	We equip our employees with cutting-edge digital tools to support productivity and foster innovation. Digital interventions have also enabled systemised management of HR systems culminating in more effective human resource management.	Employees, shareholders, customers	 
	Social and relationship capital	We employ digital interventions in our community development programs and, in our collaboration centric policy advocacy efforts. We actively use digital means to engage with our diverse stakeholders strengthening our social value creation prospects.	Communities, academia, customers, employees, regulators	       
	Natural capital	We employ digital tools to monitor our resource consumption trends. This monitoring helps us plan our resource efficiency measures towards minimising our carbon footprint.	Communities, shareholders	  

Capital Tradeoffs: 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, digital innovation and technology has drastically transformed the economy. During this time, we spearheaded the digital transformation of India's capital market. Today, our customers expect our services and products to be delivered through world-class technologies. Stakeholder's trust and expectations have encouraged us to constantly upgrade our digital capabilities to usher India's capital market to a new era enabled by next-generation technologies. Our consistent investments towards swift incorporation of emerging technologies into our service offerings, helped us translate our technology-

centric approach into our competitive advantage. Technology driven innovation has consequently become an integral element of our brand identity.

Innovation and technology are closely intertwined with our customer-centricity, crisis management capabilities and our commitment to ensuring market integrity. At NSE, we view technology as a linchpin that unlocks operational efficiency and resilience. Technology driven innovation has also helped us build transparency and superior surveillance capabilities. Our regulatory function requires well curated and vigorous mechanisms that can ensure market reliability, quality, and integrity. We have banked on our technological

proven and organisational knowledgebase to identify key market risks and eliminate market disruptions. Additionally, technologies are the key facilitators on which we build our business continuity plans that has ensured the stability and integrity of our platform.

The onset of the COVID-19 pandemic led to major business disruptions across sectors. The increased reliance on digital has also underscored the urgent need for companies to have robust cybersecurity systems. In light of our regulatory role and responsibility of ensuring market integrity, we have placed paramount importance on augmenting our cybersecurity capabilities.

We are dedicated to collaborating and co-creating unique solutions that are delivered through an amalgamation of our years of experience, market insight and keen understanding of emerging technologies. We are focused on building our intellectual capital towards fostering a vibrant, inclusive, ethical and digitally empowered marketplace.

1. Innovation and technology

Innovation, technology, and digitisation touches every facet of our business operations. Our technological initiatives are calibrated to embed system availability and eliminate service downtime. We adapt our systems to thrive in volatile environments and swiftly cope with unprecedented situations. Our technology and innovation strategy focused on embedding speed,

latency, resilience, and security in our systems. Our strategy promotes a collaboration centric approach to “re-design and re-imagine” our customer touchpoints. The strategy aims to create unparalleled customer experiences along with driving operational excellence. We partner with industry-best vendors such as Gartner top quadrants like Microsoft, Red Hat, and IBM, among others in our technology oriented endeavors. In FY 2021, we have embarked on a unique project called “Parivartan” which aims to transform each of our departments with renewed technology enabled capabilities. The project will be driven by the business transformation unit (BTU) to ensure effective uptake and utilisation of the technological interventions.

Our dedicated technology leadership team and our Chief Technology and

Operations Officer (CTOO) convene 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. The CTO’s office also reviews technology trends in the market, the relevance of current organisational technologies and progress of the roadmap on a quarterly basis.

Technology adoption roadmap

Short-term aspirations

- Migrating trading system on horizontally scalable commodity hardware and software driven resiliency architecture
- Project Parivartan – Digital transformation of market stakeholder touch points and business operation processes for membership, clearing, listing and regulatory etc.
- Digital transformation of helpdesks for trading member services, co-location services, regulatory compliance and investor complaints.
- Deployment of chatbot for simplification of stakeholder experience while interacting with various touch points of NSE group.
- Build and operationalise fully automated switchover to disaster recovery site for critical market systems across NSE/NCL ensuring Recovery Time Objective (RTO) of 45 mins.
- Building strategic disaster recovery and near disaster recovery sites to support deployment of scalable and resilient infrastructure and robust telecom networks among all sites.
- Setup of API driven file exchange gateway among trading and clearing members, NSE and NCL
- Building API gateway for clearing and data APIs
- Blockchain based digitisation of business processes for commodity trading of precious metals e.g. gold

Medium to long-term aspirations

- Modernisation of trading platform to build highly scalable, resilient and fault tolerant trading application components to process 1 million orders/sec.
- Building future generation unified risk and collateral management platforms across all asset classes based on cloud native, modern applications technology stack.
- Modernisation of clearing and settlement systems based on cloud native modern applications stack leveraging latest in-memory databases and low latency service bus architecture.
- Building strategic production and co-location data centers based on hyper scalar colocation data center architecture to support future generation, software defined technology infrastructure and cloud ready data centers for supporting exponential growth of capital markets.
- Modernisation of data warehouse architecture based on open-source data lake with real-time data ingestion from data-sources.

Empowering employees with the power of digital

The pandemic accelerated our efforts towards equipping our employees with digital capabilities. We launched remote working infrastructure for over 2,500 users including our own employees and contractual

workforce. Our efforts culminated in zero productivity loss throughout the year. Over 600 employees used VMware Horizon, 265 employees used Citrix VDI for production access and around 350 employees accessed the office desktop remotely from WFH site. Additionally, the Microsoft Intune

workforce productivity solution was introduced for 74 Intranet applications this year. In our effort to help employees effectively utilise digital tools, we provided focused training modules on various technology and digitisation themes.

Employee training on technology		
Sr. No.	Name of the training module	Brief description
1	CCSP-Certified Cloud Security Professional	This certification program focused on skill building for cloud security systems.
2	CISA® - Certified Information Systems Auditor	The program helped employees build the requisite skillsets to become an information system auditor.
3	CISSP - Certified Information Systems Security Professional	The program provided participants with insights on information systems security.
4	Data Science for Business-Non-Tech	The program was designed to enable individuals to gain deep insight into a data science for business.
5	Data Science for Business-Tech	The program focused on enabling a thorough understanding of data science and coding
6	PRINCE2® Agile Foundation and Practitioner	This certificate course was aimed at developing competencies for PRINCE 2

Employee focused digital initiatives

- Digitisation of the workplace
- MS Office365, Citrix VDI, VMware Remote Desktop access on any device
- Cloud based CI/CD and Software Defined Data Center (SDDC) with hybrid cloud capabilities
- Collaboration tools
- Microsoft teams, MS SharePoint, 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

Overview of key technology focused programs undertaken in FY 2021

Sr. no	Program	Roll-out rationale	Brief description of the initiative	Program outcomes
1	Next-generation surveillance for the Cash market, Futures & Options and Currency Derivatives	The use of modern technology	Next-generation surveillance system to back increased forensic capabilities, increased productivity, and future readiness. This initiative also takes into consideration technical drivers like distributed scalable architecture, real-time data availability and resiliency.	<ul style="list-style-type: none"> • In-memory data with scalable and distributed resilient architecture • In-memory platform with cross-asset capabilities • Near real-time market replay with drill down support and integrated social media inputs and order level alerts
2	NSE data room on Google Cloud	Cloud technology	NSE research platform launched NSE data room on Google Cloud for market researchers	<ul style="list-style-type: none"> • Providing a public cloud based platform for market researchers

Overview of key technology focused programs undertaken in FY 2021

Sr. no	Program	Roll-out rationale	Brief description of the initiative	Program outcomes
3	Netbrain tool for multicast monitoring	Monitoring and troubleshooting for multicast traffic on network	Program aimed at monitoring and troubleshooting for multicast traffic on network	<ul style="list-style-type: none"> • Multicast troubleshooting • End to end network visibility through dynamic maps • Visibility of IP list of discovered devices
4	Governance risk and Compliance process automation	Strengthening of compliance	Project initiated to automate the processes of IT compliance, audit, and risk management. GRC automation will connect the business, security and IT through an integrated risk framework that transforms manual and inefficient processes into a unified program built on a single platform.	<ul style="list-style-type: none"> • Enhance the efficiency of policy and compliance, Audit management and risk management modules linked functions
5	Databases modernisation	Use of latest and modern technology	40 critical databases migrated to Oracle 19c real application clusters(RAC) and active data guard. This program has enabled 24x 7 monitoring of databases using Oracle enterprise manager implementation for 40 critical databases and 155 business parameters	<ul style="list-style-type: none"> • Reduced recovery time objective (RTO)
6	API for unique client interface(UCI) Enquiries	Use of modern technology	Real-time online unique client code data integration between the trading members and exchange facility has been enabled through this program.	<ul style="list-style-type: none"> • Provided real-time online unique client code data integration

2. Market integrity and stability

We have employed stringent measures to reinforce fair and ethical market practices. Our surveillance and regulatory mechanisms aim to cultivate good governance, fair trade practices, and eliminate market disruptors. To this end, our customers and partners are required to comply with a set of rules and regulations. Helping market participants to appreciate our regulatory requirements and

understand fair market practices are vital enablers of ensuring market integrity and stability. In addition to the compliance requirements set forth by us, we also periodically share advisories and conduct awareness sessions to cultivate a culture of compliance and ethics.

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 multipronged 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

Over the years, we have developed well-curated market surveillance mechanisms backed by robust technology architecture. Our surveillance systems identify malpractices and ensure timely management of identified breaches. During FY 2021 some of our key initiatives to step-up our surveillance systems included:

- a. Enhanced Modules in NewGen Surveillance System: This

enhanced module provides users an integrated platform to raise alerts for various combinations at the order/trade level for a single security or across securities. Through this initiative the user interface was augmented by embedding visualisation utilities like charts, graphs enabling intuitive monitoring.

- b. A new pattern recognition model was introduced in equity segment to detect market abuse practices connected to media recommendations. This initiative helped in effectively identifying suspects. Reports of the identified suspects are in turn submitted to SEBI.
- c. Enhanced pattern recognition models were also deployed in commodity segment which aimed to address market abuse practices

like circular trading and order spoofing.

- d. A dedicated listing investigation department has been established this year. This department is responsible to oversee trading / compliance data of listed entities, handle complaints related to fraud, diversion, and siphoning or misappropriation of funds, among other compliance linked issues.
- e. With the aim of enhancing the effectiveness and efficiency of the enforcement process, we formed the centralised enforcement team. We have also rolled-out the generation of new alerts and online verification of key risk factors as part of our inspection process. These measures have enabled us to take swift disciplinary action against violators.

Overview of surveillance measures and Investigation reports

Sr. No.	Surveillance Measure	No of Unique scrips covered in FY 2021
1	Additional Surveillance Measure (ASM) - IBC	39
2	Additional Surveillance Measure (ASM) - Long Term	705
3	Additional Surveillance Measure (ASM) - Short Term	916
4	High Encumbrance (Promoter Pledge)	45
5	Graded Surveillance Measure (GSM)	161

Sr. No.	No. of Investigation reports submitted to SEBI	Unique scrips covered in these Investigation reports
1	27	464

3. Business continuity and technology risk

We thrive in a dynamic environment characterised by a myriad of emerging risks and extreme events. Consequently, business continuity planning is an important function that enhances service reliability and market stability. We have an intricately designed business continuity plan that prepares our company to effectively tackle a diverse range of exigencies. Our Business Continuity Plan (BCP) and strategy is guided by our Business Continuity Management (BCM) policy and is prepared in line

with the directives described in SEBI's guidelines on 'Business Continuity Management and Disaster Recovery'. Our Board periodically reviews the BCM policy to strengthen our preparedness and make required amendments.

The governance structure supporting the BCP includes our Board and Management Level committees who together oversee the implementation of the Business Continuity Management and Disaster Recovery framework. Various BCM teams including Crisis Management Team (CMT) are responsible for managing on ground execution of the plan.

Our BCM policy is complemented by a well-curated business continuity procedure document that elucidates event handling strategy, disaster

BCP mock drills

4

compliance
BCP mock drills

2

BCP live drills

recovery procedures along with planned administration support, maintenance, change management, training, testing and evaluation. In essence, this document enables us to systematically address disruption by supporting development of an effective emergency response, resumption, and recovery plan. The document also provides details on call tree, ensuring

the availability of critical resources and roles and responsibilities of various BCM functional teams. The BCM protocols are tested through BCM live sessions on a half yearly basis (the session is conducted over two working days), in addition to external mock drills that are conducted every quarter. Periodic training sessions are also conducted to ensure organisation wide

awareness and preparedness to ensure agile response.

We have also employed infrastructural measures to support our BCP. Our Disaster Recovery (DR) and Primary Data Centre (PDC sites) are in the opposite coastal direction, this renders enhanced resilience considering the lower probability of simultaneous disasters across both the coasts.

BCP in action: our pandemic response

The impact of the COVID-19 pandemic imposed various operational constraints and challenges to companies across sectors. Our BCP was executed and we rolled our numerous initiatives towards keeping India's capital market live while ensuring the safety of our employees. Our technology and digitisation focused approach enabled us to seamlessly transition to the work-from-home model. Our employees were provided access to requisite hardware and digital tools

to preserve workforce productivity and well-being. Only critical skeletal staff continued working on premises. Various initiatives focused on sanitisation, screening, social distancing, and other precautionary measures were employed to ensure the safety of our employees (details provided in human capital). A roster based model was implemented to ensure a 2X2 redundancy and rotation amongst work-from-office and work-from-home teams.

In view of the emerging technology risks as a result of

increased reliance on digital modes we emphasised on augmenting resiliency, technology management, cyber security, etc. Our robust technology and security infrastructure ensured that our operations continued smoothly with necessary controls, checks and balances established towards mitigating emerging risks. Implementation of a zero-trust model with multi layered checks and balances ensured that the cybersecurity controls remained robust enhancing data and process security.

Technology risk and cybersecurity

Effective management of technology risk and implementation of cybersecurity measures are key enablers of our organisational resilience. We continually upgrade our systems to ensure alignment of cybersecurity and technology risk management with global best

In FY 2021 we did not observe any data security breaches to our critical systems.

practices. In FY 2021, we strengthened access management through the implementation of an identity management tool for applications across NSEIL, NCL & NSE IFSC. This has helped in automating information access controls and privileges enabling only authorised individuals to have access to the information systems. 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 there by securing member's user credentials and accesses.
- User identity 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 on existing solutions to detect and mitigate emerging threats

Manufactured capital

“Building the infrastructural foundation towards unlocking new possibilities for our people.”

Strategic Intent	Material topics	Performance highlight FY 2021	SDGs in focus	Outlook
Make strategic investments that support innovation, superior service offering capabilities and resource conservation	• Technology-driven infrastructural development	<ul style="list-style-type: none"> • Our network comprises of 900+ racks, 4 data centers and 500 server-class computer systems • We currently have 2,400+ servers supporting our services 		Continue building sustainable infrastructural capabilities to ensure resilience and responsiveness in our operations

	Capital in focus	Synergies explained	Stakeholders influenced	SDG contributions enabled through the interlinkage
Manufactured capital	▶ Financial capital	Our infrastructural network is the backbone of our service capabilities, enabling us to create financial value for our stakeholders and the economy at large.	Customers, shareholders, investors	
	▶ Intellectual capital	Timely investments in manufactured capital helps us tap into cutting-edge technologies. Our fixed assets hence support all our software and organisational knowledge based initiatives.	Employees, customers, shareholders	 
	▶ Human capital	Our fixed assets and amenities enable our employees to deliver the best results for our customers while experiencing work satisfaction and all-round wellbeing.	Employees	 
	▶ Social and relationship capital	Our infrastructural network and hardware helps us create a robust market infrastructure catering to the needs of our customers. The resilience of our system helps us nurture market integrity and keeps India's capital markets alive even amidst an unprecedented crisis.	Customers, regulators	  
	▶ Natural capital	Equipment and fixtures that render resource efficiency are the primary means through which we minimise our environmental footprint. Hence, embedding an environmentally conscious approach in our manufactured capital is our key focus area to create value for the environment.	Communities, regulators	  

Capital Tradeoffs: Our investments in manufactured capital are primarily aimed at anchoring our intellectual and human capital towards enabling financial value creation. We are increasingly focused on embedding resources conservation and social value creation considerations in our manufactured capital linked decision making.

Introduction

Our manufactured capital comprises of our expansive network infrastructure, data centers, our offices, servers, computer systems and other supporting infrastructural assets. We believe that service quality, reliability and inventiveness have been key elements of our differentiating value proposition. To maintain our market leadership position, consistent and timely infrastructural investments are crucial. Moreover, robust infrastructural capabilities are central to embedding reliability, resilience, and quality in our services.

We closely monitor our existing infrastructural assets to ensure efficiency and effectiveness in systems. In line with our environmentally conscious approach, we carefully evaluate prospective infrastructural investments from an environmental impact lens. Adapting our assets to possible risk materialisation is another critical consideration weighed into decision making.

Our in-house technology team collaborates with vendors and third-parties for infrastructural monitoring and maintenance linked activities. They work relentlessly to ensure the integrity and stability of our systems which serve as the backbone of our services. Inputs from cross-functional teams and senior management approvals are taken on infrastructure linked plans and investments.

1. Technology driven infrastructural development

Over the years, we have built the largest private, nation-wide area network in India. Our wide infrastructural base has emerged as the life-line of India's capital market. Our telecommunication network currently hosts over 3,000 leased lines. This wide network is backed by 2,000 servers, 900+ racks, 4 data centers and 11,000+ kVA power backup. We also have 500 server-class computer systems, with non-stop fault-tolerant Stratus and LINUX servers.

These assets currently enable real-time order processing of over 200,000 orders per second.

We are actively exploring opportunities to enhance our operational prowess through the incorporation of cutting-edge infrastructural solutions.

In addition to our telecommunication linked assets, we have six regional offices spread across the country. We have developed dedicated corporate network lines that facilitate real-time data and voice-based inter-office communication between the Mumbai, Delhi, Kolkata, and Chennai offices.

As we expand our service offerings and cater to an ever-increasing dynamic load, we have been steadily building redundancy into our system to enhance operational agility. Ability to seamlessly handle very large trade volumes is important to successfully serve our vibrant and diverse customer base.

As an exemplar of our efforts in this regard, it is noteworthy, that we can currently equipped to handle more than 7 billion orders per day in our capital market segment.




Efficient management of exigencies is an important thrust area towards ensuring market stability and integrity. Our business continuity plan is backed by infrastructural measures that help us catapult ourselves into action during times of crisis. With the objective of minimising the switch-over time in the event of a service disruption, we have set up a dedicated BCP center in Chennai. We aim to step-up our BCP linked infrastructure periodically to keep pace with emerging risks and opportunities towards enhancing operational readiness to cope with unprecedented events.

















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.



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 2021	SDGs in focus	Outlook
Fostering workforce cohesion, collaboration, and innovation centricity towards unlocking an elevated business value proposition	<ul style="list-style-type: none"> Employee wellbeing & development Promoting diversity 	<ul style="list-style-type: none"> Our workforce strength stood at 1,002 employees Our workforce comprises of 31% female employees 11,250 hours of employee training were imparted during the year 	  	Enhance workforce diversity and equip employees with next-generation tools and emerging concepts to cultivate a future-ready workforce

	Capital in focus	Synergies explained	Stakeholders influenced	SDG contributions enabled through the interlinkage
Human capital	Manufactured capital	Our employees work relentlessly in the management and upkeep of our technology infrastructure and other fixed assets. Their dedication and innovation-centricity enables us to capitalise on our technology infrastructure and other fixed assets towards creating value for our customers and other stakeholders.	Customers, shareholders, investors	
	Intellectual capital	The collective knowledgebase and experience of our employees is an indispensable part of the intellectual capital of our company. It is a key differentiator of our value proposition as this knowledgebase helps us tailor timely solutions to emerging customer needs.	Customers, shareholders, investors	 
	Financial capital	Internal financial control and management is undertaken by experienced employees. Their prudent judgement and foresight are at the core of preserving our financial capital and making strategic decisions towards enhancing financial value creation.	Shareholders, investors	
	Social and relationship capital	Our CSR team and employee volunteers work towards creating a tangible impact in the lives of underserved communities. Through our collaboration and advocacy linked initiatives, we leverage our sphere of influence to embed the principles of sustainability into India's capital market.	Communities, investors, regulators	        
	Natural capital	Our employees are attuned to the concepts of environmental conservation and drive resource conservation initiatives in our facilities and in their personal capacities.	Communities, shareholders, investors	  

Capital Tradeoffs: Our human capital comprises of employees with diverse aspirations and beliefs. Our employees make consistent contributions to intellectual, manufactured, and financial capital. However, their contributions and commitment to natural, social and relationship capital are influenced by their role and personal passion. To this end, we work towards instilling the values of sustainability in the minds of our employees to ensure stronger human capital contributions thereby creating social and environmental value.

Introduction

The talent, passion and commitment of our employees are key enablers of the leadership position that we have secured and retained over the years. We have been committed to providing a conducive work environment that helps our employees thrive and co-create next-generation solutions for our customers. Since inception, we have worked towards creating an inclusive and innovation-oriented ecosystem, where each employee's voice is valued. Mutual-respect and drive to achieve shared goals are innate aspects of our ethos. We design programs and interventions that reinforce these vital facets of our work culture.

At NSE, we lay paramount importance to employee's growth and wellbeing. Through our employee engagement channels, we actively document employee aspirations and build interventions to bridge the identified gaps. It is our endeavor to continually step-up our employee well-being schemes to elevate employee satisfaction. While we focus on ensuring the good health and well-being of employees, we also value the professional growth and success of each employee. Our learning and development pedagogy is hence tailored to not just business requirements but also each employee's professional aspirations.

We have an experienced Human Resource (HR) management team that undertakes the execution of key HR initiatives. The human resource management strategy is also reviewed

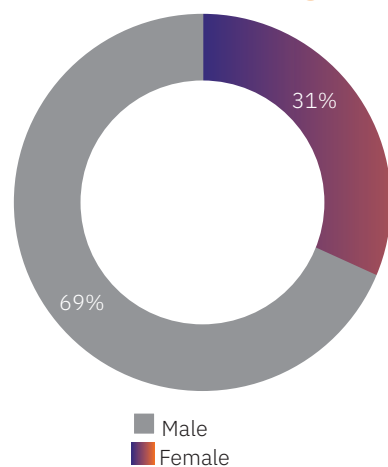
annually to ensure alignment with the needs of our employees and emerging market trends. Our Board too reviews the progress of various workforce management initiatives on a periodic basis.

1. Celebrating our diverse and vibrant workforce

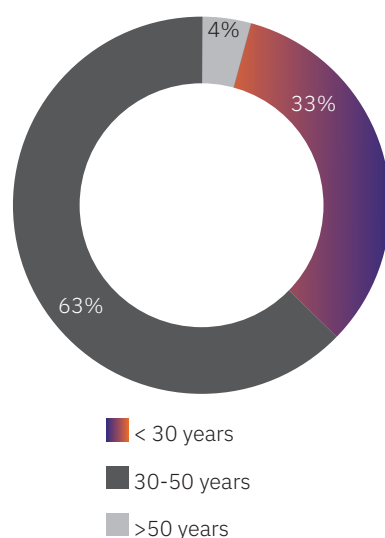
At NSE, we believe diversity in ideas, perceptions and aspirations fuels innovation and organisational success. We take pride and celebrate our diverse and vibrant workforce. By fostering an inclusive work environment, we ensure that each employee is treated with dignity and respect. We strive to preserve 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 a redressal mechanism to effectively manage any breach of our equal opportunity policy.

Employee diversity by gender



Employee diversity by age



Ratio of the basic salary and remuneration of men to women for each employee category	
Cadre	Renumeration ratio (Male to female)
Top Management – MD and directs	1.7
Senior Management – VP and SVP	1
Middle Management – CM and AVP	1
Junior Management – SM and below	1

Total number of employees that took parental leave, by gender (FY 2021)	
Male	Female
21	10

Number of employees who were due to return to work in the reporting period after parental leave ended (FY 2021)	
Male	Female
21	10

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 - 2021)	
Male	Female
14 (16 employees availed Parental Leave in FY 2019-20)	9 (11 employees availed Parental Leave in FY 2019-20)

2. Employee well-being and development³

Employee well-being and development initiatives are central to creating a holistic and enriching work experience for our employees. At NSE, we tailor our employee engagement and development programs to address the dynamic and complex demands of our evolving business landscape. Over the years, our strategy of focusing on the personal and professional development of each employee has successfully enabled us to accelerate our growth in newer horizons.

2.1.1 Employee engagement: keeping our workforce engaged and inspired

Employee engagement catalyses, employee satisfaction and workforce alignment with organisational goals. Our employee engagement mechanism, aims to capture the multitude of employee aspirations, needs and opinions. As part of the employee engagement process, we conducted our biennial employee engagement survey in FY 2021. The survey findings will be assessed by the management committee and the HODs. Identified areas of improvement will be collectively reviewed by the HODs and the action plans will be appropriately updated. Post review and finalisation of actionable, implementation of the action plans will be undertaken towards addressing the survey outcomes.

Our annual appraisal process is an important element of our employee engagement strategy. Through this process, we focus on aligning the individual professional goals of our employees with the organisational strategy. We conduct our performance management process on an annual basis, around 90% of our employees were covered by the annual performance review this year. The review is conducted through a programmatic approach comprising of three stages.

Our approach ensures, a consistent and thorough output of performance review for each employee. The process is initiated at the start of the year with goal setting. These goals are then reviewed and mutually agreed upon

by the employee and appraiser. This is then followed by the mid-year appraisal and evaluation phase, comprising of a one-on-one discussion between the employee and the appraiser. The process ends with the year-end performance review, wherein post discussion and evaluation the appraiser sends the performance report to the HR with rating and promotion recommendations. An independent reviewer is also involved at each stage reviewing the outcomes of the phase to ensure a fair assessment. To ensure transparency in the performance management process, an online system is employed which captures the performance evaluation comments and ratings at each phase.

2.1.2. Employee learning and development: catalysing employee growth

Continuous learning and development of employees is one of the cornerstones that enables organisational growth in the ever-evolving business landscape. We conduct cadre-based employee behavioral programs which fosters important behavioral linkages required for the alignment of employees with the future needs of the organisation. The programs are designed based on three vital inputs, viz. the learning

needs identified based on feedback from previous year's engagement with the stakeholders, our competency framework and the future skills requirement predicted by various research organisations. For FY 2021, given the constraints posed by the pandemic, the design of the program was altered to smaller session modules to effectively administer the training through virtual mode. We also invest in developing technical and functional skill sets pertaining to the relevant audience. With an investment of approximately ₹53.81 lakhs on employee trainings, we offer programs designed in the 60:40 (current: future) ratio to cater to the present skill requirements while also focusing on the future skill-needs.

We made an investment of approximately

53.81

(₹ lakhs) in employee training and development.



³ Information in line with BRR Principle 3, Question 8

Overview of employee training categories

Skill Upgradation	<p>The skill upgradation category includes a host of programs such as:</p> <ul style="list-style-type: none"> • Functional Trainings • Technical Trainings • Conferences and Summits 	Investment: ₹44.34 Lakhs
Leadership skills	<p>The expectation from employees in each cadre are different and so are the leadership competencies. We have designed longitudinal journey programs for each cadre, preparing employees for career progression and leadership skills required for the higher cadres.</p>	Investment: ₹7.60 Lakhs
Policy and Compliance	<p>Every onboarded new joiner is introduced to policies and compliance by the HR team on the day of joining. The fundamentals and modalities are reiterated in the 5 days induction that is organised to orient the new joiners and introduce them to various departments and activities.</p>	Investment: ₹1.87 Lakhs
Health and Safety	<p>We conduct various sessions on embedding a proactive approach to health. In terms of safety our focus is on fire safety. We conduct a 1.5-hour session which covers the basics of firefighting on a periodic basis. In the pre-COVID times, introduction to firefighting equipment was followed by practical hands-on session. However, during FY 2021, owing to the constraints, only theory sessions were conducted.</p>	

Details of training hours FY 2021

	Employees at the Senior management level		Employees at the Middle management level		Employees at the Junior management level		Total hours
	Male	Female	Male	Female	Male	Female	
Skill Upgradation	84	32	284	104	2,840	1,040	4,384
Leadership skills	720	144	2,214	864	1,152	352	5,446
Policy and Compliance	6	0	13.5	6	225	109.5	360
Health and Safety	56.35	10.35	86.25	27.6	607.2	272.55	1,060.3

Average training hours for our permanent employees was 12.05 hours during the reporting year

Senior Management

Crucial Conversion

This two-day program is aimed at culture building and enhancing skills for fostering alignment and collaboration by facilitating open dialogue on topics that are perceived as being high-stake, emotional, or risky.

Middle Management

STEP-UP

This program is designed with 60:40 (current: future) skill requirements specifically for the CM and AVP employee cadres (as these cadres are critical links between execution and leadership). The program covers topics such as decision making, managing teams and resources to drive organisational and departmental goals.

Junior Management SM

emPower

This four-day program is tailored to help employees make a transition to a management role. The training program provides capacity building on skills ranging from people management, delegation to effectively overseeing execution.

Junior Management AM, DM, Manager

SOAR

This program is designed for employees working in core-execution oriented roles. The program covers concepts such as ownership, accountability and ability to enhance efficiency.

Overview of Cadre-Based Programs

Nurturing employee health and wellness

We strive to drive excellence in people practices by promoting a culture of care and empathy. In today's age of a high-paced lifestyle, health and wellness is a critical need and vital to building a satisfying work experience. In FY 2021, as the world faced an unprecedented situation with the onset of the COVID-19 pandemic, we

included an in-house RT-PCR testing facility for employees who were working from the office and an online fitness regime for all our employees and their families in addition to the existing medical facilities. We provide holistic coverage to our employees and their family with the provision of group medical insurance, group personal accident insurance, group term-life insurance, personal accident policy

and health insurance policy. While we cover our employees with health insurance facilities, we also focus on their physical, mental, and emotional well-being. In this endeavor, we have developed a recreation room comprising of a gymnasium, table-tennis table among others. These amenities facilitate our employees to unwind and rest from their work-schedules.

Mitigating the impact of COVID-19

Together against the pandemic

The pandemic led to a drastic shift in the way we work and collaborate. This abrupt shift placed an onerous responsibility on us to ensure employee wellbeing while maintaining workforce productivity. We monitored the evolving situation and identified emerging HR risks at various phases of the pandemic throughout the year. Our primary focus was to ensure the all-round wellbeing and satisfaction of employees. We undertook various initiatives to help employees cope with the new work paradigm. Interventions were also tailored to contribute to the emotional and mental wellbeing of our people. The key measures undertaken by us included:

1. Enabling work-from-home: We facilitated the seamless transition of our entire workforce to virtual mode by employing a variety of digital tools. We provided laptops to all employees and extended reimbursement for work-related Wi-Fi expenses. We also

provided capacity building to our employees to ease them into the new style of working. We organised online gym and yoga sessions to promote their health and well-being. We also encouraged their families to participate in these sessions towards nurturing all-round wellbeing and happiness.

2. Support to employees working from office: Only around 10% of our employees deemed to be business critical were permitted to work from our offices. All safety measures were implemented for these employees like thermal screening while entering the premises, wearing masks at all times, hand sanitisation provision as well as installation of contactless soap dispensers in all the washrooms and the cafeteria. We ensured that our employees strictly followed social distancing guidelines in the work area and common spaces. The frequency of sanitisation and deep cleaning activities were enhanced and collaboration oriented spaces/recreational facilities were temporarily closed. We arranged hotel stay facility for some of

our employees to eliminate contact risk during travelling. For employees commuting to work, we supported them with travel reimbursements to ensure their travel to work is safe and efficient.

3. Measures towards reinforcing security and togetherness: While we worked relentlessly to keep our employees safe, we also designed programs to assist employees who test positive for COVID-19. Some of our key initiatives were:
 - a. Implementation of the home quarantine treatment cover for employees and dependents of up to ₹50,000. This program was extended to all employees who tested positive for COVID-19.
 - b. A dedicated helpdesk was created with the email ID – covidhelp@nse.co.in to help address employee queries related to COVID-19 support. This helpdesk also supported us in tracking incidents related to infection in our workforce.
4. Preparing for the post-pandemic phase: Reimbursement of vaccination cost for the employees and their dependents has been announced.

Social and relationship capital

“Building relationships and capabilities towards galvanising grassroots level transformation.”

Strategic Intent	Material topics	Performance highlight FY 2021	SDGs in focus	Outlook
Build and nurture meaningful and sustainable relationships to enable transformational growth and shared prosperity	<ul style="list-style-type: none"> • Collaboration and advocacy • Community engagement 	<ul style="list-style-type: none"> • Around 11,10,000 lives touched through our community development programs • ₹66.53 crores spent on CSR activities • We conducted 3,500 Investor Awareness Programs (IAP) covering over 2 lakh participants 		Promote collaborative and multi-stakeholder participatory approach to creating a market culture rooted in sustainability

	Capital in focus	Synergies explained	Stakeholders influenced	SDG contributions enabled through the interlinkage
Social and relationship capital	Financial capital	Our network plays a critical role in helping us understand emerging business opportunities and stakeholder expectations. We translate this understanding into our services and community outreach efforts. These initiatives in turn support financial value creation.	Shareholders, communities, customers	
	Intellectual capital	Our collaborative initiatives with academic and industry forums strengthens our intellectual capital and paves the way for unique service offerings and prospects for financial value creation.	Shareholders, customers	
	Human capital	Our collaboration and advocacy linked initiatives positively impact our employees and help them broaden their skills sets and understand current trends.	Employees	
	Manufactured capital	Our suppliers and service partners play a central role in our infrastructural expansion and upkeep efforts.	Suppliers, service providers, customers	
	Natural capital	We partner with communities to enhance participation and impact on environmental conservation initiatives creating sustained value for the environment.	Communities, shareholders	

Capital Tradeoffs: The interlinkage of our social and relationship capital is strong across our other capitals. This is a testament of our collaboration and stakeholder centric approach to business.

Introduction

At NSE, it is our corporate philosophy to nurture an inclusive and growth oriented ecosystem, where each stakeholder feels valued and empowered. Over the years, we have built a vibrant and diverse network of relationships that have fueled our ability to create stories of shared

growth. Our business model allows us to play the role of a service provider, a regulator, a facilitator of capital formation and a responsible corporate citizen, among others. Each role brings with it a unique responsibility along with creating interesting opportunities for our business. We invest time, effort, and resources to strengthen these synergies and reinforce the

trust that our stakeholders place in us. We facilitate active dialogues with each stakeholder group to understand areas of shared action and service opportunity. Moreover, through our collaboration and advocacy linked initiatives, we are committed to leverage our sphere of influence to cultivate a sense of shared responsibility towards

supporting sustainable development. Our programs and outreach efforts are aimed to bolster financial reform, ethical practices and engrain a socially relevant approach to business. We encourage our customers and partners to infuse the values of sustainability in their operations towards accelerating the transition to a sustainable and inclusive economy.

Beyond our operational boundaries, we stay in touch with the evolving needs and aspirations of our marginalised and underserved communities. We work towards creating sustainable, tangible, and meaningful grassroot level impact. We ensure that our community development programs are in sync with societal needs and aligned to national developmental priorities.

1. Our commitment to our customers

Staying relevant with customer needs and aspirations is the pulse of our customer centric approach.

We have been creating superior customer experiences by blending innovation with our market insights. Our intellectual capital enables incorporation of next-generation capabilities that further elevates the customer experience. The trust our customers have in us is a product of the reliability and integrity innate in our brand identity and services. Our commitment towards customer welfare and transparency in information disclosure is demonstrated by our customer responsibility policy. We ensure fair and transparent disclosure on details of our offered services, any concomitant risks involved, terms and conditions including transaction charges. While we proactively offer the latest tools and technologies towards facilitating a better user interface for our customers, we also work towards equipping them with the relevant know-how to effectively utilise the services being offered. Hence, we conduct various capacity

and awareness building programs that cover the basics of financial planning, investment, security market structure, regulations and services provided by NSE.⁴ These sessions are conducted across various geographies in India through the following affiliated bodies:

1. SEBI-registered investor associations
2. Defense, police, and other administrative groups
3. Small-scale entrepreneurs
4. Gram panchayat ND Bachat gats
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, etc.
7. Artisans and tradeswomen
8. Schools and colleges
9. Corporates
10. Open programs with the public

Overview of Investor Awareness Programmes (IAPs) FY 2021

Financial year	Total no. of IAPS conducted	No. of participants
FY 2020-21	3,500	2,85,000

Key highlights of our Investor Awareness Programmes (IAPs):

- We launched a quiz as part of the investor awareness program focusing on the commodity market. The program witnessed participation from over the 1,000 participants in FY 2021.
- The launch of the commodity awareness program on social media drew over 2.82 lakhs impressions and 9,800 engagements through Twitter and Facebook since February 2021.
- Presentations prepared by us for educating investors on different topics pertaining to investment procedures were finalised by SEBI as the standard presentations for conducting regional IAPs.

- We took part in the Global Money week 2021, an annual global awareness raising campaign organised under the aegis of OECD International Network on the financial education. The program contributed to a total of 34 Investor awareness webinars for students and youth in the age group of 18-30 years covering over 4,200 participants.

2. Collaborations and advocacy: leveraging synergies to drive positive change⁵

We engage with several associations, chambers of commerce, industry bodies and other platforms which provides us with opportunities to

share information, develop meaningful networks and relationships. Through our memberships we support public good, social-economic reforms, and the development of business practices based on good governance and effective administration.

Some of the key trade associations are:⁶

1. All India Gem and Jewellery Domestic Council
2. All India Management Association
3. Asia Pacific Real Estate Association Limited
4. CFA Institute India Private Limited
5. Commodity Participants Association of India
6. Confederation of Indian Industry (CII)

⁴Information in line with BRR Principle 9, Question 4

⁵Information in line with BRR Principle 7, Question 2

⁶Information in line with BRR Principle 7, Question 1

<p>7. Federation of Indian Chambers of Commerce and Industry (FICCI)</p> <p>8. Indian School of Microfinance for Women</p> <p>9. International Options Market Association (IOMA)</p> <p>10. PHD Chamber of Commerce and Industry</p> <p>11. Small & Medium Business Development Chamber of India</p> <p>12. The Associated Chambers of Commerce and Industry of India</p>	<p>13. The Associated Chambers of Commerce of India (ASSOCHAM)</p> <p>14. The Foundation for Millennium Sustainable Development Goals</p> <p>15. World Federation of Exchanges (WFE)</p> <p>16. Futures Industry Association (FIA)</p> <p>17. International Organisation of Securities Commissions (IOSCO)</p> <p>We support the development of sustainable and equitable national policies through active interactions with several governing</p>	<p>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 industrial representatives 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.</p>
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2.1. Overview of key advocacy and capacity building oriented initiatives

1. Social Media

NSE is leveraging the digital media to communicate with its audience. NSE’s official channels - Twitter (@NSEIndia), You Tube (@NationalStockExchange), Facebook (@NationalStockExchange) and LinkedIn (@NationalStockExchangeOfIndia) - impart knowledge to investors on key financial and investment-linked concepts. These platforms are used to customise message

delivery based on recipient profile. The short video content format is hosted on NSE YouTube channel; investors use this to demystify the capital markets, understand macro and micro economic concepts and Exchange-traded products. It empowers investors to interact with domain experts on thematic discussions. The NSE Twitter platform keeps the investor community and other stakeholders updated by sharing

important information, data and developments in the Indian capital markets, policy decisions and other market-related news. NSE enjoys a rapidly increasing social media footprint comprising more than 4 lakh followers on NSE Twitter, more than 6 lakh followers on NSE Facebook, 90,500-plus registered users on NSE LinkedIn and more than 61,000 followers on NSE YouTube (numbers growing year-on-year).

2. NSE Website

Our website is a one-stop-shop for information required by our stakeholders. The website covers

most of the ongoing activities at NSE and can be considered as a go-to destination for any kind of queries for user. Details of our products and services, trade

information, market data, listing circulars, press releases, media coverage and a variety of other information can be found on our website.

3. Platform for Investor Education (PIE)

A joint initiative by NSE Investor Protection Fund Trust (NSE IPFT) and IIM Bangalore, PIE is an online investor education resource center that aims to impart investor education through a blended approach encompassing audio,

video and other digital media platforms. The program features top-notch experts and experienced faculty in the field of finance and investing. It is designed to aid understanding of investors across the competency spectrum. Further,

as a testament of the inclusive approach adopted, PIE is offered in multiple languages. As of March 2021, approximately 1.5 lakh users were registered for the program.

4. NSE Academy

NSE Academy Ltd. (NAL) is a wholly-owned subsidiary of National Stock Exchange of India Ltd and our mission is to promote financial literacy as a necessary life skill. The financial year FY 2020-21 has been an unprecedented year with surge in online and blended learning. Our focus was concentrated on NSE Academy's digital initiatives viz NSE Knowledge Hub, N-SMART and Higher Education Institutions and Corporates.

1. NSE Knowledge Hub: it is a unique Artificial Intelligence-powered learning ecosystem designed to assist the Banking, Financial, Securities and Insurance (BFSI) sector in enhancing the skills of their employees. Since its formal launch, a number of developments have taken place in expanding the reach of NSE Knowledge Hub.
2. N-SMART: launched in December 2019, N-SMART is a simulated market trading application that reproduces the features of a live equity / derivative / currency derivatives market on trading terminals

for students to practice and learn trading securities without financial risk.

3. TCS iON Industry Honour Certification (IHC): This program tailored for B.Com students was launched in July 2020, in collaboration with Tata Consultancy Services Limited. The certification is an outcome linked course designed in collaboration with industry and academic experts, to help students gain application-oriented expertise.

As part of our new initiatives, NSE Academy Ltd. has acquired majority stake in deep tech education firm TalentSprint Private Limited. TalentSprint augments NSE Academy's objective to be the leader in the Education segment with the aim of Continuous Life Long Learning right from K12, University to Executive level/ Corporate learning, not only in finance skills but also adjacent areas in emerging technology areas such as Artificial Intelligence, Machine Learning, Fintech and Blockchain in the capital market and BFSI domain through online and offline modes.

We also collaborated with many Institutes, universities and corporate houses in FY 2020-21 which includes domestic and international. Few important collaborations were:

- IIM Shillong for Professional Executive Programs
- IIT Dhanbad for MDP in Fintech domain
- Deakin University for NSE Knowledge Hub
- Andhra Pradesh State Skill Development Corporation (APSSDC) for Management Development Programs
- GIFT SEZ Ltd. (GIFT City, Gandhinagar) for jointly creating unique certification and regulatory programs for the corporates and organisations operating in IFSC at GIFT City
- RBI Academy for empaneled TalentSprint programs
- LIC Mutual Fund for training of staff and channel partners
- Yes securities for self-paced programs on NSE Knowledge Hub
- Axis Securities for Hiring, Training and Deployment of new advisors

5. NSE-NYU Stern School of Business Initiative for the study of Indian Financial Markets

The NSE-NYU Stern Initiative was set-up in 2012 with the aim of creating an environment where the academia and finance industry complement each-other and provide research support for effective policy making. NSE-NYU Conference, a part of this initiative provides a platform for

interaction and discussion on published research papers and projects. Following the discussion at the conference, selected papers are published on NSE's website for greater reach. The conference last conducted in December 2020, emphasised on research topics such as portfolio inventory

risk, geographical variation in investment, effect of government guarantees on financial stability, power of financial literacy among women, retail trading in IPOs and role of speculative investors, and effect of armed conflict on lending decisions.

6. Dr. R H Patil Memorial lecture

This is an annual lecture conducted in the memory of our founding managing director Dr. R H Patil, who played a pivotal role in transforming India's capital markets, paving way for both domestic and global

investors to be a part of India's growth story. The lecture brings insights from global speakers of repute. The highlight of the event was the presence of Prof. Eugene Fama, 2013 Nobel laureate in

Economic Sciences. The Indian financial sector was represented by the Founder, Managing director and CEO of Kotak Mahindra Bank, Mr. Uday Kotak.

7. NSE Foundation partners with Karauli District Administration for CSR initiatives

As part of its CSR initiative, the NSE foundation works relentlessly towards the implementation of its impact-driven projects in four of the NITI Aayog recognised aspirational districts, Nandurbar (Maharashtra), Karauli (Rajasthan), Birbhum (West-Bengal, designated aspirational district) and Ramanathapuram (Tamil Nadu). NSE Foundation aims to create a constructive and meaningful impact in the lives of

people residing in these districts. The foundation has embarked on CSR initiatives aimed at, supporting holistic development in these geographies by providing quality primary education, safe drinking water accessibility, usable WASH facilities, health and nutrition improvement, empowerment and dignity of senior citizens, addressing local environment issues and skill development for

rural youth. With the initiation of these CSR initiatives, NSE Foundation endeavors to improve the social performance indicators of the districts through a holistic multi-pronged strategy that encompasses a participative and collaborative approach with individuals, the community and the local administration.

8. Ring the Bell ceremony for Financial literacy in the World Investor Week 2020

NSE organised the 'Ring the Bell ceremony' to mark the beginning of its annual World Investor Week and raise awareness about the importance of investor education and protection. The World Investor

Week 2020 had a unique initiative of "Be Your Own Laxmi" which focused on the young female professionals and entrepreneurs, drawing the participation of more than 2,500 women. Over 500

investor awareness virtual webinars were conducted at a pan-India level. Additionally, a national level investor knowledge quest was also organised jointly with NSDL.

9. NSE and SIDBI sign an MoU for the MSME sector

NSE and Small Industries Development Bank of India signed an MoU for co-operation on initiatives catering to Micro, Small and Medium enterprises (MSME).

The initiative aims to utilise the co-ordination and co-operation of NSE and SIDBI in the MSME sector for their cross-benefit as well as to augment the impact

and reach of these programs. The two institutions look forward to exploring a debt capital platform for the MSMEs through this collaboration.

10. NSE Academy launches certification in International Financial Services with Gujarat International Finance Tech-City (GIFT City)

NSE Academy in collaboration with GIFT city laid down the foundation of developing a unique certification and regulatory program for the

corporates and organisations operating in IFSC at GIFT city. The program aims to facilitate research facilities in the field of IFSC in

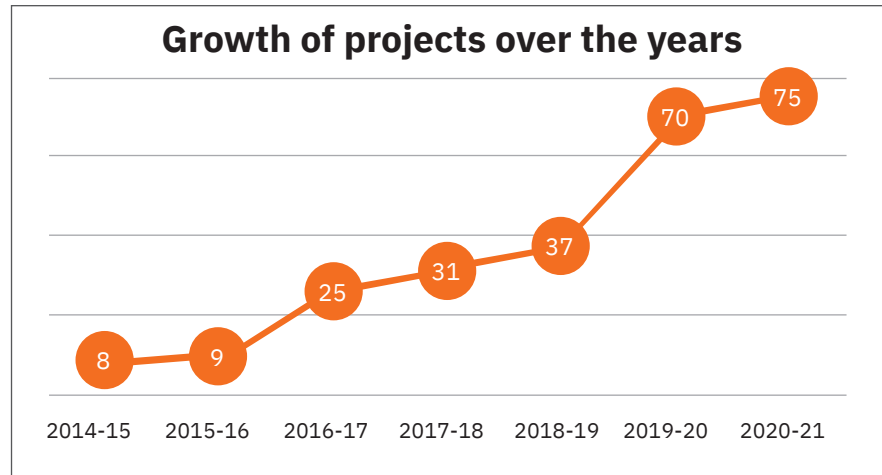
addition to providing training programs. The initiative aims to attract potential companies to start their operations in the GIFT city.

3. Community engagement⁷

We believe that empowered communities are the drivers of economic transformation. It is our mission to augment our business activities with community outreach efforts to enable the financial well-being and holistic development. Our community interventions are governed by the group-level CSR policy. The policy describes our commitment to create sustainable social value and defines our CSR thrust areas. Our Company has consistently complied with the requirements charted in Section 135 of the Companies Act, 2013 and CSR Rules, 2014. NSE Foundation was incorporated as a Section 8 company in the year 2018 to effectively meet the requirements of the CSR mandate of the NSE Group Companies falling under

the purview of Section 135 and to ensure a dedicated management of CSR initiatives. The Foundation has established a robust governance mechanism to oversee the effective utilisation of funds thereby creating a positive impact in communities. Our

community outreach efforts are guided by the ambitions set forth in the United Nations-Sustainable Developmental Goals (UN-SDGs), national policy directives and national developmental priorities.



3.1 Overview of program implementation⁸

Across our CSR focus areas, we have defined SOPs that guide program management and impact assessment. We partner with NGOs, multilateral agencies, academia, government bodies among other stakeholders in our community outreach efforts. Such a collaborative approach embeds multi-disciplinary perspective and innovation in the design and implementation of interventions. Some of our key partners are:

- NITI Aayog
- State governments (Maharashtra, Madhya Pradesh, Rajasthan, Kerala, and Tamil Nadu)

- Green Rameswaram Trust
- UNICEF
- International Centre of Clean Water (ICCW), IIT Madras
- Tata Institute of Social Sciences (TISS)
- Tata Trusts
- CSC Academy (under Ministry of Communication and Information technology)

To ensure that we create a lasting and meaningful impact in the communities that we serve, most of our programs are planned for a period of at least 3 years. Key program linked activities encompass, need assessment, base line, and end line studies, intervention

design, capacity building and periodic impact monitoring. We engage professional monitoring and evaluation agencies to conduct periodic site visits to track the progress of our community programs. We employ a multipronged approach of periodic programmatic and financial review as well as third party impact assessments conducted by specialised organisations with the requisite expertise.

The pandemic imposed unique challenges from a program implementation and monitoring perspective. We rolled-out various measures based on innovation, embedding digital tools, capacity building and other support interventions to ensure continued progress on our projects.

We engaged sectoral experts to conduct remote training programs for over 50 on-ground partners covering issues and challenges affecting project implementation and community outreach. The on-ground partners were encouraged to adapt project plan and strategy at both

We currently partner with 54 specialised organisations to support our community development programs across our six CSR focus areas.

We serve communities in Rajasthan, Madhya Pradesh, Maharashtra, Bihar, Jharkhand, Odisha, West Bengal, Telangana, Tamil Nadu, Delhi, Assam, and Gujarat through our CSR programs.

⁷Information in line with BRR Principle 4, Question 3 and Principle 8, Question 1

⁸Information in line with BRR Principle 8, Question 2

organisational and programmatic level to ensure sustained support for their own organisations as well as the communities they were engaged with. The pandemic accelerated the adoption of the use of digital technology by field staff kickstarting a virtual monthly meeting of all partners, subject experts and at times representatives from the local administration. These meetings were leveraged to support knowledge sharing, innovations and success stories while also identifying opportunities to converge resources and collaborate.⁹

Across many of the interventions, innovative digital methods of programme implementation and community outreach were created. In the educational programmes a mix of digital, app based and customised educational modules to be taught through tablets and laptops were used to bridge the learning loss. In elder care, tracking the health of the elders through app based technology was initiated in community health centers.

Digital technology was further leveraged through the creation of a data platform NSEF RAMP (review, assessment, monitoring platform). This enables a transparent process to oversee the online proposal and document submission, review and approval of proposals, project processes and scrutiny of enumerated programme indicators.

Supported 54 partners with capacity building programs to adapt community outreach efforts to the pandemic constraints.

3.2. CSR focus group: empowering our employees to serve communities

Giving back to communities has been an intrinsic facet of our culture since early years of operation. Even before the institutionalisation of CSR activities in line under the Companies Act, 2013, our CSR focus group actively engaged employees to volunteer and serve communities. The CSR focus group spearheads numerous socially and environmentally relevant initiatives. In FY 2021, given the constraints imposed by the COVID-19 pandemic, on-site employee volunteering activities were restricted. Notwithstanding the constraints, we undertook two employee led initiatives that provided urgent relief material to 200 families in North and South 24 Parganas which had borne the brunt of the cyclone Amphan and 5,000 food kits to bring relief to the migrants returning to their home towns from Mumbai during the lockdown.

Overview of CSR focus areas and key initiatives¹⁰

We have provided a brief overview of our key CSR focus areas and detailed insights into the intervention design, key initiatives and impact stories which can be found in Annexure 5 of Board's Report

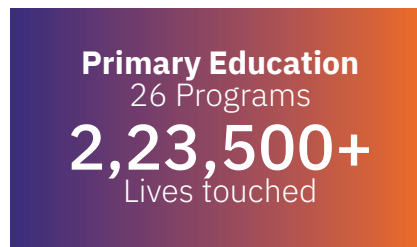
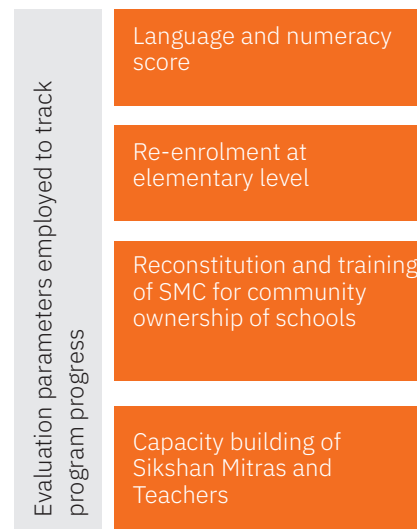
3.2.1. Primary Education

According to the latest SDG Index report published by NITI Aayog, 2.97% of children in the 6-13 years age group are still deprived of primary education. We believe that by providing quality education in the formative years of children we can contribute to our commitment of 'leaving no one behind' and address the societal issues arising from lack of access to basic education. With the conviction that quality education can catalyse the improvement of the lives

of India's 1.3 billion population, we have developed a holistic approach to increase the enrollment of children in primary schools. The program covers issues such as institutional strengthening, capacity building, improved teaching methodologies and tackling low attendance.

Goals:

- Enhance teacher-student ratio and provide focused training and capacity building for teachers
- Support holistic development of children by addressing the gaps in learning levels through supplementary and in-school programmes



⁹ Information in line with BRR Principle 8, Question 3

¹⁰ Information in line with BRR Principle 8, Question 4, and Question 5

3.2.2. Elder care

India is home to over 103.9 million senior citizens, constituting 8.6% of the total population. It is estimated that this value will rise to 12.4% of the total population by 2026. In view of the unique challenges faced by this section of society, there is an urgent need for us to tailor programs that cater to the needs of this segment of the population. With the vision of supporting socio – economically challenged elderly, we have customised our interventions to improve the social, financial and health support systems for the elderly.

Goals:

- To improve the physical, social, and mental well-being of an underprivileged ageing population by improving access to livelihood, empowering senior citizens through the Elder Self-Help Groups (ESHGs) concept, health care interventions, elder enrichment centers in urban areas etc.

Focus area output
9 Programs
60,000+
Lives touched

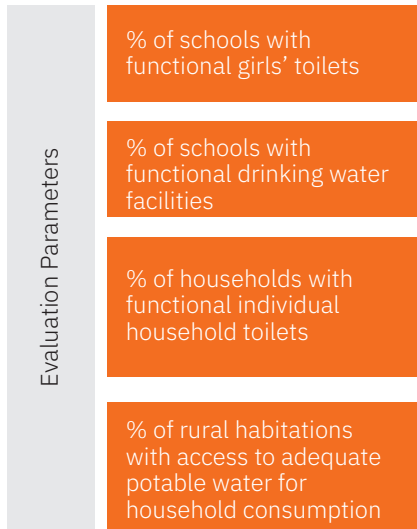
3.2.3. Sanitation and clean drinking water

According to the latest report by United Nations, one in three people do not have access to safe drinking water, two out of five people lack the access to a basic hand-washing facility and over 673 million people still practice open defecation. The onset of the COVID-19 pandemic has further underscored the importance of clean water for maintaining hygiene.

In response to addressing pressing sanitation and safe drinking water requirements of communities, we have contributed significantly towards enabling long-term prevention and

control measures for enhancing health and socio-economic development.

Our contribution to retrofitting of sanitation facilities and upgrading access of safe drinking water in schools and communities highlights the synchronisation of our focus area with the Swachh Bharat Abhiyan campaign.



Goals:

- Retrofitting of sanitation facilities in schools and communities, access to and availability of safe drinking water points in schools, solid and liquid waste management, behavior change communication (BCC) on sanitation, health, and hygiene etc.

Focus area output
22 Programs delivered
5,05,000+
Lives touched

3.2.4. Environment sustainability

Our planet is imperiled with increasing global mean temperature, rising sea-levels at an average rate of 0.06 inches per year since 1980 and a spike in global carbon dioxide emissions by almost 50% since 2000. In this context, it is crucial for us to address

the implications of climate change and coherently work on the protection of our ecosystem.

Environmental conservation measures undertaken

Adopting energy efficient solutions to reduce our carbon footprint

Maximising the use of renewable energy

Adoption of effective waste management strategies

Engaging in watershed management

Desilting of water bodies

Goals:

- We will work towards environmental sustainability encompassing initiatives that support ecological balance, protection of flora and fauna and natural resource conservation.
- Our Company will consider and support several environmental protection and awareness programmes especially related to water and soil conservation in the selected aspirational districts.

Focus area output
5 Programs
1,500+ Lives touched

3.2.5. Skill Development & Entrepreneurship

India, home to one out of every six people in the world, has the potential to lead the growth of the global economy. While it is essential to understand the prospects presented by our large population in spearheading economic growth, there is an urgent need to foster entrepreneurship and skill development programs to unlock value through this economic reserve. Additionally, the programs endeavor to align with long-term financial goals and policy interventions. We

have developed interventions which contribute to the SDG 8 and national schemes focused on entrepreneurship and skill development.

Goals:

- Provide support to the semi - literate, school dropouts, non-graduates etc. through the skill development programmes.
- Increase employability of rural youth in certain technical skills like carpentry, plumbing, masonry, electrical work, driving, cooking, tailoring, advanced agriculture, food, and agro-processing etc.

National Skill Development Mission

National Policy for Skill Development & Entrepreneurship 2015

Government schemes for:

- Short and long-term skill development
- Apprenticeship
- Vocational Training
- Upskilling
- Entrepreneurship

Key skill development & Entrepreneurship linked national schemes in focus for the CSR thrust area

Focus area output 3 Program **570+** Lives touched

3.2.6. Health and Nutrition

Despite significant strategies and efforts to improve accessibility to quality health care, 40% of the countries in the world have less than 10 medical doctors per 10,000 population. The situation in India remains grim, our battle with the COVID-19 pandemic has further brought to light the deficits in our system. Our company has taken efforts in developing interventions focused on improving health and nutrition linked services and support mechanisms.

Owing to the requirement of a wide spectrum of health and nutrition services spanning different age-groups, localities and disorders, our interventions are designed to address

the needs of vulnerable communities and provide solutions in areas of :

- Promotive services
- Protective services
- Preventive services
- Rehabilitative services

Our interventions are aligned with the National Health Policy and National Health Mission, along with SDG-3 (Good health and well-being).

Goal:

- To address the health and nutrition linked requirements of individuals, especially those from socially or economically disadvantaged sections of society with the aim of improving their social, economic and health status.

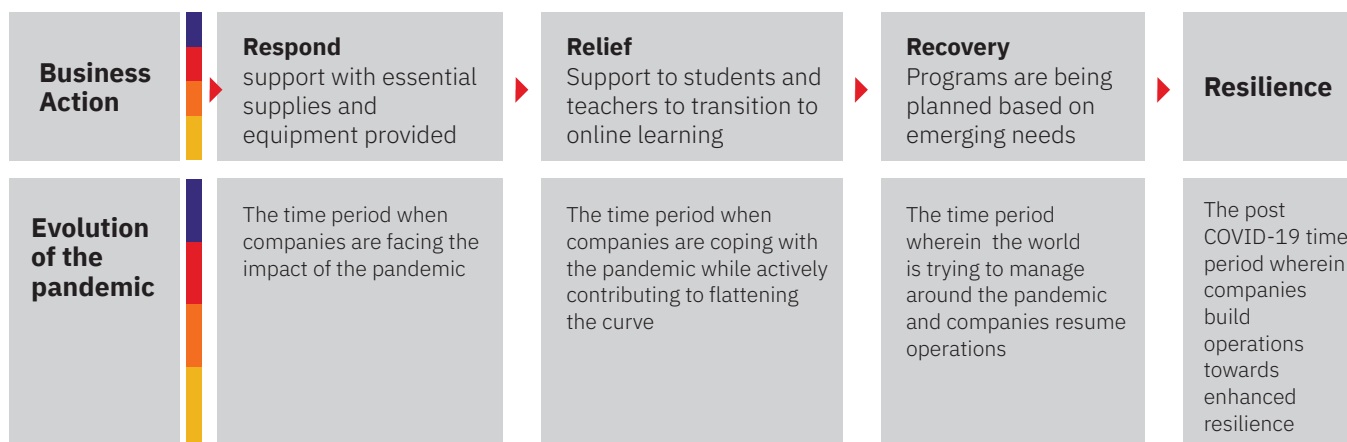
- Efforts are being made to work closely with the primary, secondary, and tertiary levels of the health care system in both rural and urban areas to improve access and augment service quality through technology, equipment, and infrastructure.

3.2.7. Disaster Relief and Rehabilitation

We collectively experienced a global health emergency of unprecedented scale during FY 2021. In line with our commitment to serving communities during times of crisis, we delivered numerous need-based interventions. Our initiatives have been elucidated chronologically aligned to various phases of the pandemic.

Focus area output
4 Programs
1,17,000+
Lives touched

Focus area output
6 Programs
2,05,000+
Lives touched



a. Response: measures undertaken to provide urgent support

The spread of COVID-19 to rural India presented a complex challenge arising from the limitations in the health care system characterised by fragmented health care response system, low awareness, and poor infrastructure. Identifying the urgent requirement for vital medical equipment in districts such as Nandurbar (Maharashtra), Ramanathapuram (Tamil Nadu) and Birbhum (West Bengal).

We also supported government hospitals of Mumbai and Thane with essential medical supplies. We supplied 38,500 PPE kits, 32,000 N95 masks, 40,000 gloves and other protective items to government hospitals battling COVID-19 in Mumbai and the worst affected areas of Mumbai such as Dharavi, Cheeta camp.

Since February 2020, NSE Foundation through the local NGO partners reached out to the respective communities through training of field staff as well as behaviour change and awareness activities in communities to ensure understanding of the importance of social distancing, handwashing and maintaining personal hygiene.

During the lockdown phase, the awareness campaigns continued to reinforce these messages to

communities on measures to be followed during COVID-19 through street and wall paintings, road art at junction points etc. Relief activities were undertaken for vulnerable communities especially the destitute elderly who lacked access to essential commodities like food and medicine. In education, innovative ways of reaching students through local radio and TV cable networks, social media groups, mobile phones, customised worksheets etc. have been initiated for continuity of the learning curriculum. The Project Monitoring and Evaluation agencies have undertaken partner connect initiatives and conducted multiple webinars to address issues arising out of such an unprecedented lockdown that impacted project implementation and community outreach. The NGO partners were encouraged to relook at planning and strategy at both organisational and programmatic level.

b. Relief: supporting the virtual learning ecosystem

The sudden transition to online modes for both teaching and learning exposed inequalities in access and usage hesitancy to digital modes in rural areas. To bridge this gap in access, Shikshan Mitras (SM) or para teachers working for NSE Foundation's education focused programmes supported children and parents

with awareness building and counselling services. A blended approach encompassing virtual and physical modes was employed in locations such as Nandurbar to ensure continued access to education. In rural areas with limited or no internet connectivity, classes were conducted in open spaces in line with social distancing norms and other precautionary measures. One of our partners, in Kotra, Rajasthan used community radio as a means to ensure continued access to education. Our SMs were also actively trained to enhance their digital skills and adapt with emerging challenges.




Training teachers and empowering them with online tools was a critical enabler for virtual learning. We conducted a comprehensive focused training programme for the field staff of our partner organisations. The eight webinars had a cumulative attendance of over 4,000 community volunteers and other staff members.



















Recovery and resilience

The unfortunate realities of the pandemic continue to unfold in the nation during the development of this report. We continue to actively assess the evolving situation and stand by our communities by developing timely interventions to support state machinery through a proactive participatory approach with all stakeholders.

Natural capital

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

Strategic Intent	Material topics	Performance highlight FY 2021	SDGs in focus	Outlook
Embed an environmentally conscious approach in every facet of business operations	<ul style="list-style-type: none"> Green power generation Energy conservation Water management Waste management 	<ul style="list-style-type: none"> Energy from a renewable source – 35,356 Giga Joules (GJ) Energy Conservation 22,563 Kilo Watt Hours (kWh) Water Recycled - 20,324 Kiloliters (kL) Manure generated from waste – 360 Kilograms (kg) 	  	To continue our efforts towards decarbonisation of our operations while also influencing our partners and customers to adopt an environmentally friendly approach to business

	Capital in focus	Synergies explained	Stakeholders influenced	SDG contributions enabled through the interlinkage
Natural capital	Financial capital	Investing in renewable energy and reducing water consumption, to generate shared value for the business, environment, and society	<ul style="list-style-type: none"> Customers Shareholders 	  
	Manufactured capital	Implementing technologies to ensure resource and operational efficiency, which eventually helps in reduction of environmental footprint	<ul style="list-style-type: none"> Customers Shareholders Regulators Employees 	  
	Intellectual capital	Promoting the culture of environmental conservation among listed companies and other stakeholders through customised products and services	<ul style="list-style-type: none"> Employees Shareholders Customers 	  
	Human capital	We actively engage our employees to create awareness on environmental conservation and encourage them to embed these values in their lifestyle	<ul style="list-style-type: none"> Communities Academia Customers Employees 	  
	Social and relationship capital	Partnering with our stakeholders and undertaking advocacy initiatives towards fostering a conducive policy landscape for climate action	<ul style="list-style-type: none"> Communities Regulators Industry associations Employees Shareholders 	     

Capital Tradeoffs: Our manufactured and human capital are closely dependent on the utilisation of natural capital. This dependency enables value creation in the financial and intellectual capital of our Company. While our focus is on maximising the value created through these interdependencies, we are actively working towards minimising our overall environmental footprint.

Introduction

At NSE, we have always believed in having a conservative approach towards the environment. In line with this belief, we have developed numerous interventions that aim to reduce energy and water consumption, minimise waste generation, and lower carbon emissions from our operations. Our role as a stock exchange provides us with an invaluable opportunity to create awareness among other companies on environmental conservation. We thus aim to lead by example through our actions and policies to catalyse broader market engagement in sustainability. During the reporting year, we have not received any fines or non-monetary sanctions pertaining to

non-compliance of environmental laws and regulations.¹¹

Our environmental policy (https://archives.nseindia.com/global/content/about_us/NSE_Env_Policy.pdf)¹² articulates our commitments, actions and strategic intention in the area of environmental protection. To deliver on our environmental action plan, we are steadfast in developing innovative tools, techniques, and methodologies that mitigate negative impacts on the environment. We have also established robust internal mechanisms to monitor our environmental performance. We closely monitor our resource conservation trends to identify consumption hotspots and opportunity areas to minimise

our environmental footprint. Based on this analysis, we plan our strategic infrastructural upgradation and investment plans.

We believe that issues such as climate action requires collective and multi-stakeholder involvement. Hence, we actively create awareness on various environmentally relevant themes among all our stakeholders. In line with our corporate philosophy of being a proactive global citizen, we are focused on strengthening our contributions to global climate action efforts. Our material topics associated with the natural capital have been classified into two categories: climate change mitigation and climate change adaptation.¹³



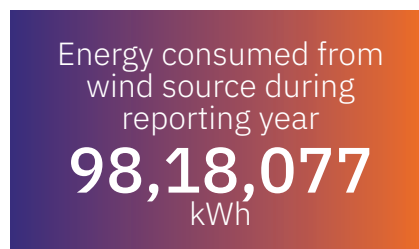
Overview of our climate mitigation measures¹⁴

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.

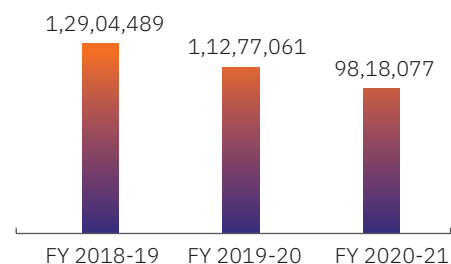
1) Green power generation: i) Wind power plant:

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 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. Accordingly, the aforesaid Wind Power Plant has generated 98,18,077 electricity units in the FY 2020-21.



Wind Power Plant



Power Generation in KWH

¹¹In line with BRR principle 6, Question 6,7

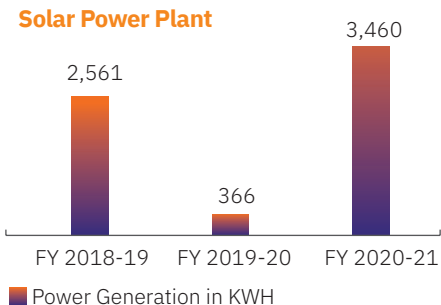
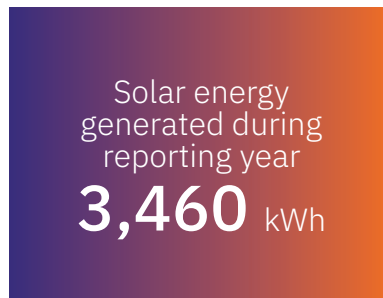
¹²In line with BRR principle 6, Question 1 and Question 2

¹³In line with BRR principle 6, Question 3

¹⁴In line with BRR principle 2, Question 2

ii) Solar power plant:

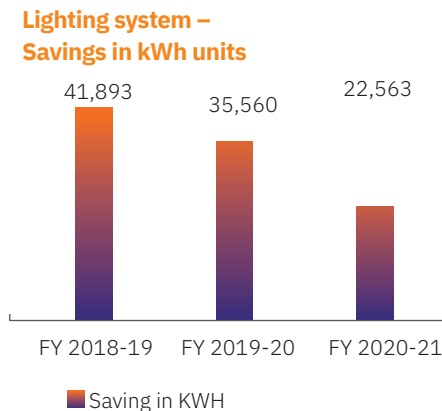
The Solar Power Plant of the capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater to a part of the lighting load at Exchange Plaza. This way NSE has saved around 3,460 units in the FY 2020-21.



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 the entire Office area. These measures have saved around 22,563 units in the FY 2020-21.



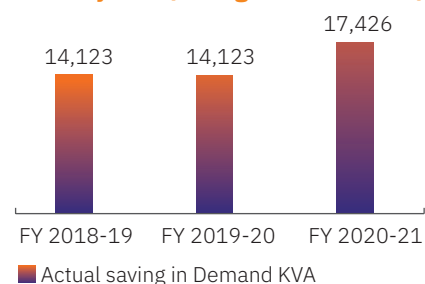
ii) Thermal energy storage system:

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 17,426 Demand kVA in FY 2020-21.

HVAC System (Saving in Demand kVA)



iii) 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.

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 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.

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

Our total power consumption from non-renewable sources of energy for FY 2021 was 8,51,383 GJ (From grid electricity and diesel). The corresponding Carbon Dioxide tonne needs to be replaced with tons. CO₂ needs to be replaced with CO₂.

Our total power generation from renewable sources of energy during the reporting year was 35,358 GJ

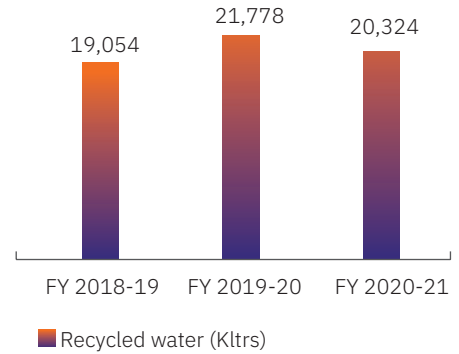
3. Water management:

Availability of water is a major challenge across various geographies. Climate change is bound to compound this issue and cause extreme water shortage in equatorial areas. In line with this thought, water conservation is one of the key focus areas under our climate adaptation plan. We engrain an ethos of water conservation and focus on reducing our freshwater consumption. We have also adopted rainwater harvesting to rejuvenate local water bodies by recharging ground water levels. For the reporting year, we have consumed 28,197 kL of fresh water (municipality water).

i) Water recycling - Sewerage Treatment Plant (STP) :

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 20,324 Kilolitres of Water in the FY 2020-21.

Water Saving through Recycling Water



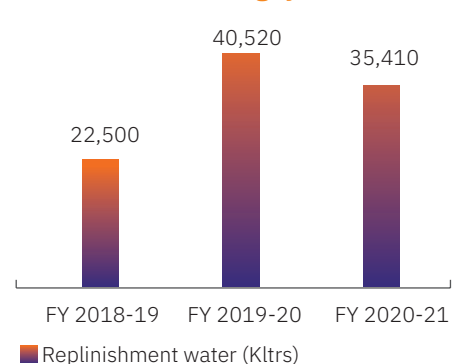
Water recycled through our STP
20,324
 Kiloliters

ii) Rainwater harvesting system:

Envisaging water scarcity in future as well as present water shortages, a proper Hydro - Geological survey was conducted at Exchange Plaza to explore the possibility of harvesting the rain water in the periphery of Exchange Plaza. Accordingly, post survey and feasibility, Rain Water Harvesting System has been installed. By using this System, water is percolated into the soil in the Exchange Plaza campus.

Rainwater harvested
35,410
 Kiloliters

Rain water Harvesting system



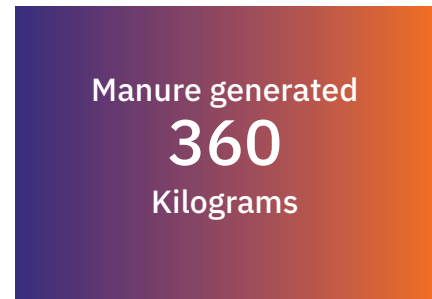
3. Waste management:¹⁵

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.

i) 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. This way NSE has generated around 360 Kg of

manure in the FY 2020-21.



ii) 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.

We remain dedicated to strengthening our environmental conservation initiatives and proactively collaborate with stakeholders to accelerate climate action efforts. While we focus on reducing the environmental footprints of our operations, we are also actively devising products and services that will nudge other corporate players to contribute and collaborate for creating positive environmental impact.

Business Responsibility Report

SECTION A

1.	Corporate Identity Number (CIN) of the company	U67120MH1992PLC069769
2.	Name of the Company	National Stock Exchange of India Limited
3.	Registered address	Exchange Plaza, Plot C-1, Block ‘G’, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
4.	Website	www.nseindia.com
5.	E-mail ID	secretarialdept@nse.co.in
6.	Financial Year reported	2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Sector: Infrastructure Company in the securities market industry Activity: Stock Exchange NIC Code: 6611 [As per National Industrial Classification Code 2008 – Ministry of Statistics and Programme Implementation]
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Trading platform for securities Listing of securities Investor Education

¹⁵ In line with BRR principle 2, question 5

9.	Total number of locations where business activity is undertaken by the Company	Number of International Locations (Provide details of major 5): None Number of National Locations: 25 locations which include; Ahmedabad, Bengaluru, Chennai, Kochi, Delhi, Hyderabad, Indore, Jaipur, Kanpur, Kolkata, Mumbai, Pune, Lucknow, Patna, Vadodara, Dehradun, Bhubaneshwar, Chandigarh, Panaji, Ranchi, Guwahati, Raipur, Shimla, Jammu, and Gandhinagar.
10.	Markets served by the Company	National

SECTION B

1.	Paid up capital (₹ in crores)	49.50 crore
2.	Total Turnover (₹)	6,202 crore
3.	Total profit after taxes (₹)	3,573 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after taxes (%)	2.09%
5.	List of activities in which expenditure in 4 above has been incurred	1. Primary education 2. Sanitation and safe drinking water 3. Elder care 4. Disaster relief and rehabilitation programmes

SECTION C**1. Does the Company have any Subsidiary Company/ Companies?**

Yes, we have the following direct/indirect subsidiaries:

- a) NSE Clearing Limited
- b) NSE Investments Limited
- c) NSE Data and Analytics Limited
- d) NSE Indices Limited
- e) NSE IT Limited
- f) NSEIT US Inc.
- g) NSE Infotech Services Limited
- h) NSE Academy Limited
- i) NSE IFSC Limited
- j) NSE IFSC Clearing Corporation Limited
- k) NSE Foundation
- l) Aujas Cybersecurity Limited
- m) Talentsprint Private Limited
- n) Cogencis Information Services Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Yes, all our subsidiaries participate in the BR initiatives undertaken by us. They also participate in the Group's BR activities and initiatives to the extent applicable. The provisions of CSR are not applicable to IFSC companies for five years from inception, as per the exemption given by the Ministry of Corporate Affairs.

3. Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Not Applicable

3. Governance related to BRR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance is evaluated annually.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes an annual BRR that covers the 9 NVGs and is available at <https://www.nseindia.com/investor-relations/annual-reports>.

Section E: Principle-Wise Performance

For each of the questions in this section the relevant section from the report will be mapped with a mention of the page number where the content can be found.

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery, and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, our Code of Conduct and Vigil mechanism address issues related to ethics, bribery, and corruption. These policies are applicable to all NSE Group companies.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Categories	Year ended March 31, 2021	
	Companies	Trading Members
No. of Complaints pending at the beginning of the year	312	7,928
No. of Complaints received during the year	2,504	22,583
No. of Complaints redressed during the year	2,258	29,189
No. of Complaints pending at the end of the year	558	1,322*

* Out of 1,322 complaints pending, 801 complaints pertain to disabled members, against whom disciplinary proceedings are underway

Categories	Year ended March 31, 2021
No of Arbitration cases pending at the beginning of the year	135
No. of Arbitration cases received during the year	329
No. of Arbitration cases redressed during the year	311
No. of Arbitration cases pending at the end of the year	153

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

Thematic Indices:

1. NIFTY100 ESG Index
2. NIFTY100 Enhanced ESG Index
3. Green Bonds

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

NA

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Natural Capital (Pg. No. 96)

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Being an exchange body and given our sphere of influence, we have the responsibility to create new benchmarks for our ecosystem of partners. In this realm, we have developed a dedicated sustainability policy which extends to our external stakeholders. This encourages the adoption of sustainable initiatives in their supply chain. We are conscious about business ethics and responsibility

and are consequently committed towards sustainable sourcing. This is an integral part of our procurement and supply chain management processes. We engage with local suppliers and support local sourcing, which helps us boost their livelihoods. This in-return supports us in strengthening and building long-term relationships with suppliers, cutting down our expenditure in logistics and carbon footprint. We understand our responsibility towards sustainable business and endeavor to achieve best practices and policies around social and environment concerns.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As a policy, we give preference to local vendors in our supplier/vendor screening process.

5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

Natural Capital (Pg. No. 96)

Principle 3 (P3): Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees.

1,002

2. Please indicate the total number of employees hired on temporary/ consultants/casual basis.

17

3. Please indicate the number of permanent women employees.

315

4. Please indicate the number of permanent employees with disability.

Nil

5. Do you have an employee

association that is recognised by management?

No

6. What percentage of your permanent employees are a member of this recognised employee association?

None

7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.

Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Human capital, (Pg. No. 83)

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalised.

1. Has the company mapped its internal and external stakeholders?

Our approach to sustainable value creation - Stakeholder engagement and materiality assessment (Pg. No. 58)

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?

Our approach to sustainable value creation - Stakeholder engagement and materiality assessment (Pg. No. 58)

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, there are several initiatives conducted by us with other subsidiaries. For more details on them, please refer to Social and Relationship Capital (Pg. No. 91)

Principle 5 (P5): Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

We strongly believe in the fundamental and universal nature of human rights. We are committed to uphold the highest standards on human rights protection by adopting a proactive and beyond compliance approach. Our Sustainable development policy applicable to all or internal and external stakeholders emboldens our vision for protection of human rights. Aligned with this policy, we strictly prohibit the child labor, forced labor and discrimination of any kind based on gender, caste, creed, religion, disability, marital status, pregnancy, culture, ancestry, socio-economic status etc. We are an equal opportunity employer and create work environment that supports a mutual respect and empathy. This enables us to uphold our values on the protection of human rights in letter and in spirit.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

In FY 2020-21, there have been no stakeholder complaints relating to violation of human rights.

Principle 6 (P6): Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Natural Capital (Pg. No. 96)

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Natural Capital (Pg. No. 96)

3. Does the company identify and assess potential environmental risks?

Natural Capital (Pg. No. 96)

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

NSE currently does not undertake any project in line with the Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N.

Natural Capital (Pg. No. 96)

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Natural Capital (Pg. No. 96)

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Natural Capital (Pg. No. 98)

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Social and Relationship Capital (Pg. No. 87)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance

and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Social and Relationship Capital (Pg. No. 87)

Principle 8 (P8): Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Social and Relationship Capital (Pg. No. 86)

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structures/any other organisation?

The programmes are undertaken through our group-level NSE Foundation

3. Have you done any impact assessment of your initiative?

Social and Relationship Capital (Pg. No. 92)

4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

Social and Relationship Capital (Pg. No. 92)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Social and Relationship Capital (Pg. No. 92)

Principle 9 (P9): Businesses should engage with and provide value to their customers and

consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

In the FY 2020-21, 43 consumer cases are pending before various District, State and National Consumer Disputes Redressal Commissions. However, these cases are not very critical in nature.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year?

- A. SEBI, vide its order dated April 30, 2019 in the Colocation-Dark Fibre matter, has inter alia held NSE liable for the violation of the SEBI PFUTP Regulations. NSE has preferred an appeal before Hon'ble SAT, against the said SEBI order, which is pending for hearing.
- B. Manoj K Sheth vs. NSE (CCI)- Complaint filed against NSE, alleging that Colocation services provided by the Exchange are discriminatory in nature and are therefore in violation of Competition Act. The matter has been reserved for orders.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Member Satisfaction Index score for FY 20-21 was 94. Social and Relationship Capital (Pg. No. 86)

Board's Report

To,
The Members,

Your Directors have pleasure in presenting the Twenty-Ninth 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, 2021.

1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

1.1. Global rankings - Derivatives Market

1.1.1 All products

NSE was ranked first globally in the derivatives segment based on the total number of contracts traded during the calendar year 2020. NSE's 8.8bn contracts were ~40% higher than the Brazilian B3 (Brasil Bolsa Balcão) Exchange (6.3bn contracts), followed by CME Group at 4.8bn. Among the top 10 exchanges globally, four were from the US, while two were from China and one each from India, Brazil, Korea and Russia.

Table 1: Top 10 exchanges in derivatives market in the calendar year 2020

Rank	Exchange	Country	No. of Contracts traded (million)
1	National Stock Exchange of India	India	8,850
2	B3 - Brasil Bolsa Balcão	Brazil	6,308
3	CME Group	US	4,821
4	Intercontinental Exchange	US	2,789
5	Nasdaq	US	2,661
6	CBOE Holdings	US	2,614
7	Dalian Commodity Exchange	China	2,207
8	Korea Exchange	Korea	2,185
9	Shanghai Futures Exchange	China	2,129
10	Moscow Exchange	Russia	2,120

Source: FIA ranking by number of contracts traded and/or cleared. Futures and options volume broken down by subsidiary exchanges. <https://www.fia.org/resources/global-futures-and-options-trading-reaches-record-level-2020>

1.1.2 Single Stock Futures

NSE's rank varies across different derivatives segments by activity. In the Single stock futures segment, Borsa Istanbul was ranked first with 1.2bn contracts traded, followed by Korea Exchange, B3 from Brazil and NSE. While Borsa Istanbul and B3 recorded a significant improvement in their global rankings with a sharp jump in total number of traded contracts, NSE slipped from its second position in 2019 to fourth in 2020, with its 1% rise in the total number of contracts traded over the year. For the calendar year 2020, NSE was ranked as the 4th largest exchange in the world in terms of number of contracts traded in single stock futures.

Table 2: Top 10 exchanges in single stock futures in the calendar year 2020

Rank	Exchange	Country	No. of Contracts traded (million)
1	Borsa Istanbul	Turkey	1,196
2	Korea Exchange	Korea	1,127
3	B3 - Brasil Bolsa Balcão	Brazil	358
4	National Stock Exchange of India	India	256
5	Moscow Exchange	Russia	198
6	Deutsche Boerse AG	Germany	77
7	Thailand Futures Exchange	Thailand	47
8	Euronext	Europe	27
9	Taiwan Futures Exchange	Taiwan	26
10	Johannesburg Stock Exchange	South Africa	17

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

1.1.3 Single Stock Options

Exchanges from the US and Brazil lead in the single stock options segment. Nasdaq-US was ranked first in the segment with 1.7bn contracts traded in 2020, followed by B3 in Brazil and four additional exchanges from the US. NSE maintained its seventh position with a total of 272m contracts traded in 2020, a ~35% increase YoY.

Table 3: Top 10 exchanges in single stock options in the calendar year 2020

Rank	Exchange	Country	No. of Contracts traded (million)
1	Nasdaq - US	US	1,703
2	B3 - Brasil Bolsa Balcão	Brazil	1,459
3	CBOE Global Markets	US	1,288
4	NYSE	US	782
5	MIAX Exchange Group	US	508
6	International Securities Exchange	US	417
7	National Stock Exchange of India	India	272
8	Iran Fara Bourse Securities Exchange	Iran	263
9	Deutsche Boerse AG	Germany	189
10	Hong Kong Exchanges and Clearing	Hong Kong	130

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

1.1.4 Stock Index Futures

In case of stock index futures, NSE was the 8th largest exchange in the world with 131m contracts traded during the calendar year 2020. Among others, B3 - Brasil Bolsa Balcão continued to perform well in the segment and topped globally with 2.9bn contracts traded, followed by CME group and Deutsche Boerse AG with 1.2bn and 590m contracts traded, respectively. Exchanges from Japan, Singapore, Russia and Korea also performed well in the segment.

Table 4: Top 10 exchanges in stock index futures in the calendar year 2020

Rank	Exchange	Country	No. of Contracts traded (million)
1	B3 - Brasil Bolsa Balcão	Brazil	2,930
2	CME Group	US	1,249
3	Deutsche Boerse AG	Germany	590
4	Japan Exchange Group	Japan	394
5	Singapore Exchange	Singapore	185
6	Moscow Exchange	Russia	172
7	Korea Exchange	Korea	153
8	National Stock Exchange of India	India	131
9	Taiwan Futures Exchange	Taiwan	112
10	Hong Kong Exchanges and Clearing	Hong Kong	112

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

1.1.5 Stock Index Options

Unlike the previous derivatives segments, NSE leads in the stock index options segment with 6.7bn contracts traded over the year during the calendar year 2020, 9x higher than the second largest—Korea Exchange.

Table 5: Top 10 exchanges in stock index options in the calendar year 2020

Rank	Exchange	Country	No. of Contracts traded (million)
1	National Stock Exchange of India	India	6,668
2	Korea Exchange	Korea	738
3	CBOE Global Markets	US	459
4	Deutsche Boerse AG	Germany	441
5	Taiwan Futures Exchange	Taiwan	202
6	CME Group	US	180
7	India International Exchange	India	68
8	B3 - Brasil Bolsa Balcão	Brazil	65
9	Hong Kong Exchanges and Clearing	Hong Kong	36
10	Japan Exchange Group	Japan	30

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

1.1.6 Currency Futures

In the Currency futures segment, Moscow Exchange has topped with 847m contracts traded in 2020, followed by B3 - Brasil Bolsa Balcão and NSE with 774m and 737m contracts traded, respectively. BSE has also performed well in the segment and ranked fourth with 314m contracts traded over the year.

Table 6: Top 10 exchanges in currency futures in the calendar year 2020

Rank	Exchange	Country	No. of Contracts traded ('000)
1	Moscow Exchange	Russia	8,47,606
2	B3 - Brasil Bolsa Balcão	Brazil	7,74,468
3	National Stock Exchange of India	India	7,36,684
4	BSE Limited*	India	3,13,787
5	CME Group	US	2,07,778
6	Matba Rofex	Argentina	1,12,819
7	Korea Exchange	Korea	1,08,003
8	Borsa Istanbul	Turkey	62,724
9	Johannesburg Stock Exchange	South Africa	35,971
10	Singapore Exchange	Singapore	25,466

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>

1.1.7 Currency Options

With 777m contracts traded in 2020, NSE leads global exchanges in the Currency Options segment, followed by the BSE Limited.

Table 7: Top 10 exchanges in currency options in the calendar year 2020

Rank	Exchange	Country	No. of Contracts traded ('000)
1	National Stock Exchange of India	India	7,77,301
2	BSE Limited*	India	3,71,496
3	Johannesburg Stock Exchange	South Africa	26,979
4	Moscow Exchange	Russia	22,479
5	Tel-Aviv Stock Exchange	Israel	13,639
6	CME Group	US	10,220
7	B3 - Brasil Bolsa Balcão	Brazil	6,690
8	Borsa Istanbul	Turkey	961
9	India International Exchange	India	207
10	Bolsa Mexicana de Valores	Mexico	78

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

In Interest rate futures, NSE slipped two positions in 2020 to get placed as the tenth largest exchange in the world with 8m contracts traded over the year. Among others, CME Group was ranked first with 1.6bn contracts traded, followed by B3 - Brasil Bolsa Balcão and Deutsche Boerse AG with 549m and 484m traded contracts, respectively.

Table 8: Top 10 exchanges in interest rate futures in 2020

Rank	Exchange	Country	No. of Contracts traded (million)
1	CME Group	US	1,573
2	B3 - Brasil Bolsa Balcão	Brazil	549
3	Deutsche Boerse AG	Germany	484
4	ICE Futures Europe	US	401
5	ASX Australian Securities Exchange	Australia	136
6	Bourse de Montreal	Canada	61
7	Korea Exchange	Korea	48
8	China Financial Futures Exchange	China	24
9	Johannesburg Stock Exchange	South Africa	13
10	National Stock Exchange of India	India	8

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

1.1.9 Interest Rate Options

An opposite trend was observed for the interest rate options segment as NSE's ranking improved from 10th in 2019 to 8th in 2020 with 454 thousand contracts traded in the segment. CME Group topped in the segment with 460m contracts traded in 2020, followed by ICE futures Europe and B3 - Brasil Bolsa Balcão.

Table 9: Top 10 exchanges in interest rate options in 2020

Rank	Exchange	Country	No. of Contracts traded (in '000)
1	CME Group	US	4,59,566
2	ICE Futures Europe	UK	84,982
3	B3 - Brasil Bolsa Balcão	Brazil	71,017
4	Deutsche Boerse AG	Germany	44,385
5	Nasdaq Nordic and Baltics	US	4,846
6	Bourse de Montreal	Canada	742
7	Johannesburg Stock Exchange	South Africa	707
8	National Stock Exchange of India	India	454
9	ASX Australian Securities Exchange	Australia	398
10	Japan Exchange Group	Japan	323

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

1.2 Global Rankings - Capital Market

NSE became the fourth largest exchange in the capital market segment with 4.3bn trades in 2020, led by two Chinese and the Korea exchanges. Notably, Shenzhen Stock Exchange was ranked first in the segment with 7.2bn traded, followed by Korea Exchange and Shanghai Stock Exchange with 4.6bn trades each. US exchanges including Nasdaq – US, CBOE Global markets and NYSE, on the other hand, are lagging in the segment with around 3.5bn trades over the year on average.

Table 10: Top 10 exchanges in the capital market segment in during the calendar year 2020

Rank	Exchange	Country	No. of Trades (million)
1	Shenzhen Stock Exchange	China	7,248
2	Korea Exchange	Korea	4,615
3	Shanghai Stock Exchange	China	4,604
4	National Stock Exchange of India	India	4,253
5	Nasdaq - US	US	3,556
6	CBOE Global Markets	US	3,422
7	NYSE	US	3,079
8	Japan Exchange Group	Japan	1,008
9	B3 - Brasil Bolsa Balcão	Brazil	829
10	Borsa Istanbul	Turkey	639

Source: WFE Statistics. <https://www.world-exchanges.org/our-work/statistics>

1.3 Global Rankings - Market Capitalization

Exchanges in the US lead the world in terms of the market capitalisation of their listed securities. The NYSE and NASDAQ had an overall market capitalisation of US\$26trn and US\$19trn respectively, as of December 2020, significantly higher than other exchanges of the world, with their Chinese, Japanese and European counterparts in the US\$5-7trn bracket. NSE's US\$2.5trn ranked it at 11th globally in 2020.

Table 11: Top exchanges in terms of market capitalization as of Dec'2020

Rank	Exchange	Country	Market Capitalisation (USD trillion)
1	NYSE	USA	26.23
2	Nasdaq - US	USA	19.06
3	Shanghai Stock Exchange	China	6.98
4	Japan Exchange Group	Japan	6.72
5	Hong Kong Exchanges and Clearing	Hong Kong	6.13
6	Euronext	Europe	5.44
7	Shenzhen Stock Exchange	China	5.24
8	LSE Group	UK	4.05
9	TMX Group	Canada	2.61
10	BSE Limited*	India	2.58
11	National Stock Exchange of India	India	2.55

Source: WFE Statistics, <https://www.world-exchanges.org/our-work/statistics>

Note: *BSE's market capitalisation is taken from the SEBI Bulletin and converted to USD using the INR exchange rate of ₹73/\$. <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=4&ssid=80&smid=107>

1.4 Commodity Derivatives

During FY 2020-21, NSE Commodity Derivatives segment witnessed a total turnover of ₹ 5,484 crores in futures and premium turnover of ₹ 284 crores in options.

The Average Daily Turnover (ADT) in commodity derivatives for the FY 2020-21 stood at ₹ 61 crores with a 149% increase as compared to ₹ 25 crores ADT for FY 2019-20.

During FY 2020-21, physical settlement of more than 6 Kgs of gold mini bars was handled aggregating to ₹ 3.05 crores.

During FY 2020-21, NSE Commodity derivatives segment saw the launch of five new products. These include Options in Goods (for gold mini contracts, silver and copper) with a unique and innovative expiry calendar and settlement mechanism.

The first agricultural product of NSE i.e. futures contracts in Crude Degummed Soybean Oil (CDSO) was also launched. The CDSO futures contract provides the missing link in the Indian commodity derivatives ecosystem and is meant to provide to the Soybean Oils processing and allied industries in India and overseas, a perfect hedging tool for managing their price risk.

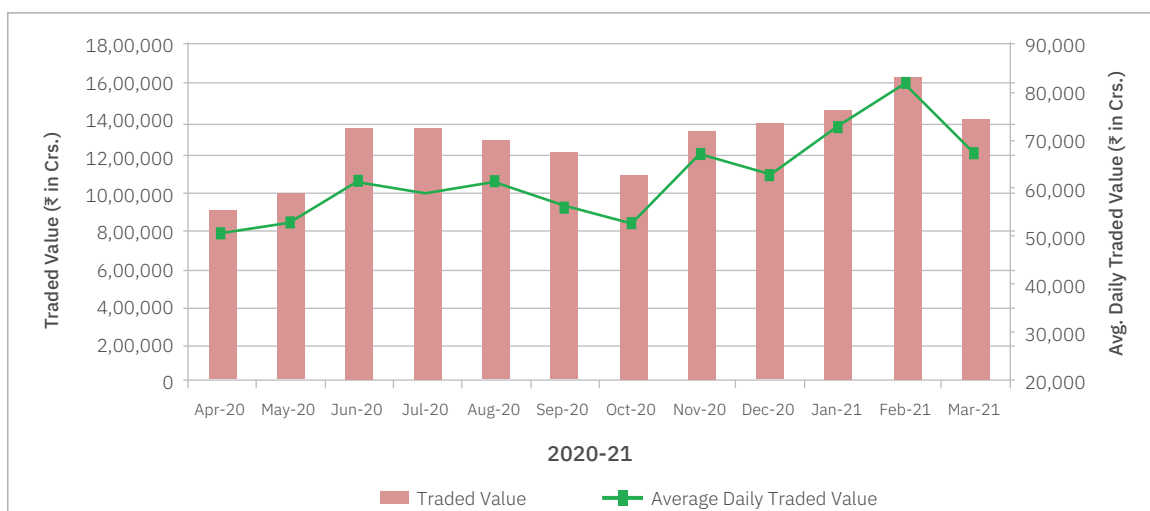
NSE also launched the NSE Refiner Standards (NRS) for BIS – Standard Gold on July 10, 2020. The introduction of NRS by NSE is expected to facilitate greater participation from the domestic market players in the exchange traded deliverable bullion commodity derivatives by widening the scope of acceptable bullion commodity for delivery on the NSE platform.

1.5 Capital Market (CM segment)

The total turnover of CM segment in the year 2020-21 was ₹ 1,53,97,908 crores as compared to ₹ 89,98,811 crores in FY 2019-20, showing an increase of 71.11%. The average daily traded value in 2020-21 is ₹ 61,838 crores as compared to ₹ 36,432 crores in 2019-20.

As on March 31, 2021, the number of listed companies available for trading was 1,910 compared to 1,882 at the end of March 31, 2020.

Figure 1: Month-wise Turnover and Average Daily Turnover in CM segment



The changes in turnover statistics over the preceding year are presented in Table 12

Table 12 : Turnover Statistics on CM segment

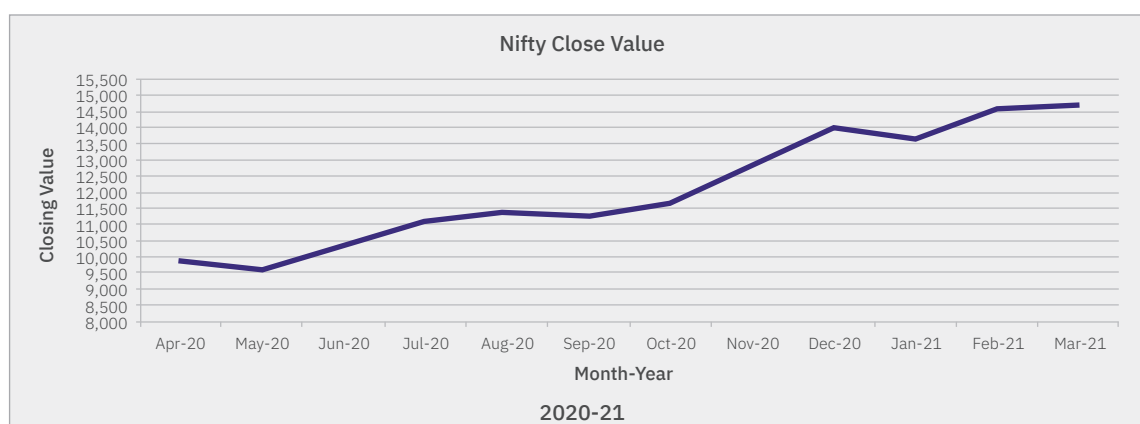
Sr. No.	Details	2020-21	2019-20	% Rise/ (Fall)
1	Total Number of trades (in lakhs)	46,328	31,460	47.26
2	Total number of shares traded (in lakhs)	74,29,579	46,74,057	58.95
3	Total Turnover (₹ In Cr.)	1,53,97,908	89,98,811	71.11
4	Market Capitalization at the end of the year (₹ In Cr.)	2,02,95,813	1,12,43,112	80.52
5	Turnover of Nifty 50 Securities (₹ In Cr.)	85,58,692	50,79,976	68.48
6	Total number of listed companies for trading	1,910	1,882	1.5

1.5.1 Index movement

Nifty 50 saw upward movement of 71% moving from 8,597.75 to 14,690.70 over the financial year 2020-21. During the year 2020-21, the Nifty 50 touched a high of 15,431.75 on February 16, 2021 and low of 8,055.80 on April 3, 2020. Movement of Nifty 50 is shown in Figure 2.

The turnover of Nifty 50 securities was ₹ 85,58,691 crores in the year 2020-21 as compared to ₹ 50,79,976 crores in the previous year. The contribution of Nifty 50 securities turnover to total turnover during the year 2020-21 was 55.58% compared to 56.45% in the year 2019-20.

Figure 2: Nifty 50 index movement



1.5.2 Market Capitalisation

The market capitalisation of securities available for trading on the CM segment has increased by 80.52% during 2020-21 from ₹ 1,12,43,112 crores as on March 31, 2020 to ₹ 2,02,95,813 crores as on March 31, 2021. Out of total market capitalisation of ₹ 2,02,95,813 crores as on March 31, 2021, ₹ 2,76,623 crores was contributed by newly listed securities. The market capitalisation growth is shown in Figure 3.

Figure 3: Market Capitalisation during the financial year 2020-21

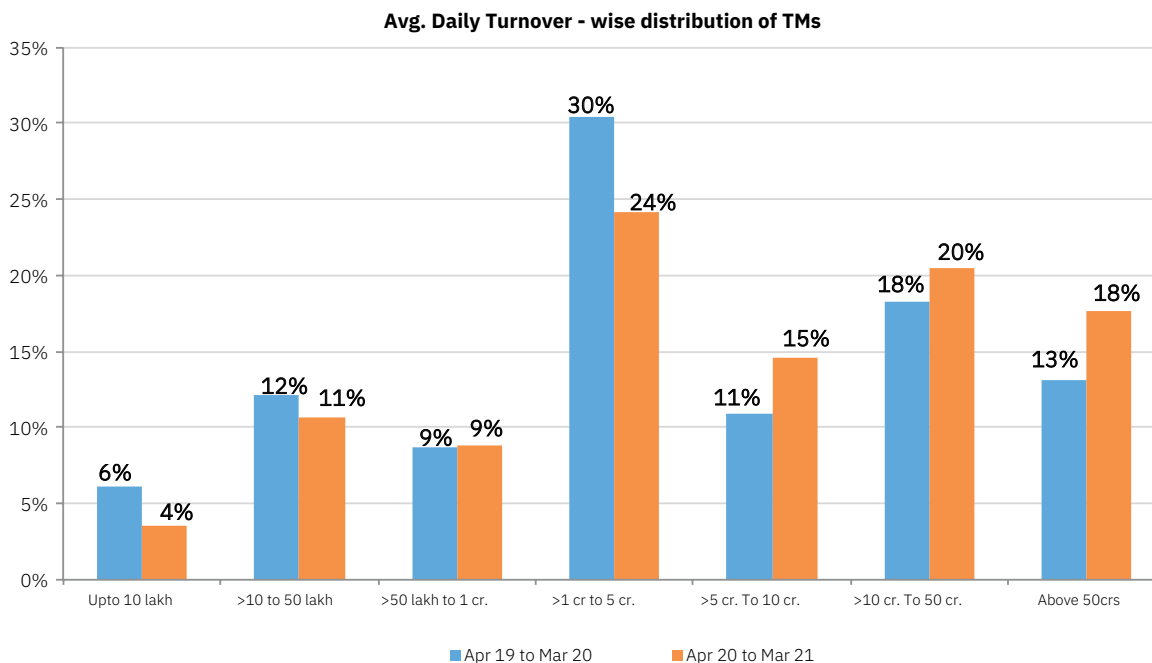


1.5.3 Distribution of Turnover

Turnover-wise distribution of trading members

About 77% of the trading members had an average daily turnover of ₹ 1 crore or more in 2020-21. In 2020-21, around 39% of the trading members had an average daily turnover of more than ₹ 10 crores.

Figure 4: Average Daily Turnover-wise distribution of TMs



1.5.4 Capital raising

Table 13

Fund Raising Across Primary Market Products - FY 2020-21

₹ in Crores

Product	2020-21	2019-20
IPO – Equity (Includes Public REITS)	37,152	25,120
Electronic Book Building Debt	3,42,337	2,47,467
Debt Private Placement	4,96,282	4,19,726
Commercial Papers	7,52,425	4,26,423*

Note: Issue Size includes reissuance for Debt Private Placement and Commercial Papers

*Listings commenced w.e.f. November 2019

1.5.5 New Developments in capital markets during the year 2020-21

In the financial year 2020-21, various new developments have been initiated by the Exchange. The details of the same are given below:-

May 2020 – Update in bhavcopy file structure

Exchange had updated the file structure of bhavcopy files (.MS and .MD file) which is made available on Extranet Server from the directory common/bhavcopy.

May 2020 - Trading in Rights Entitlement

Exchange issued circular for informing members about changes in trading parameters for trading Rights Entitlement in the Capital Market Segment.

June 2020 – Normal Pre-open session for Partly Paid up shares in Capital Market segment

Exchange issued circular informing members that normal pre-open session (09:00 AM to 09:15 AM) will be applicable to all existing and forthcoming listed Partly Paid up shares in Capital Market segment.

August 2020 –Dissemination of New Indices in Capital Market Segment

Exchange informed members about the dissemination of new indices in the capital market segment.

September 2020 - NEAT user id password reset and unlocking request through ENIT

The Exchange announced that members could submit password reset and unlocking request for branch manager and dealer user ids along with corporate manager user through ENIT.

October 2020 – Market Data - Stream broadcast in CM segment

Exchange informed members about the introduction of stream-wise broadcast (1 second frequency 5 depth data) in the Capital Market (CM) segment.

October 2020 – Dissemination of New Indices in Capital Market Segment

Exchange issued circular regarding display values of new

Indices in Index Broadcast window and in Multiple Index Broadcast screen in NEAT+.

February 2021 - ENIT - Pro Trading Module

The member can activate / deactivate the facility of placing “PRO” orders through the user ids which are allotted by the Exchange for trading. Also, members can now place requests to activate / deactivate the facility of placing “only PRO” orders as well as “PRO and CLI” orders through the Pro Trading module available on ENIT.

1.5.6 New developments in Listing Collection of Recovery Expenses Fund

SEBI has introduced a concept of Recovery Expense Fund (REF) in order to enable the Debenture Trustee(s) to take prompt action in case of ‘default’ in listed debt securities. Accordingly, all existing and new listed debt issuers are now required to deposit an amount equal to 0.01% of the issue size, subject to a maximum of ₹ 25 lakhs per issuer, towards REF with the Designated Stock Exchange.

Suitable modifications were made to NSE’s Electronic Application Processing System (NEAPS) for the collection and monitoring of REF. To handhold the issuers, the Exchange issued guidance note and conducted a webinar covering practical aspects and system walkthrough.

As on March 31, 2021, approximately 145 issuers have deposited REF with NSE in the form of a Cash / Bank Guarantee.

Listing of State Development Loans (SDLs) and Treasury Bills (T-Bills) on CM segment

For wider market participation, the Exchange, with effect from July 2020, commenced listing of SDLs and T-Bills on the capital market segment in addition to the debt market segment. Approximately 550 existing and outstanding T-bills and SDLs were listed on the capital market segment and made available for trading with effect from July 27, 2020. As on March 31, 2021, there are 1,034 active ISINs of State Bonds and T-Bills on the capital market segment.

Trading of Rights Entitlement

SEBI has laid down the framework for trading of Rights

Entitlements (REs) on the Exchange Platform in February 2020. 21 REs have been listed and traded on the Exchange since then. To enhance investor awareness in this area, the Exchange has undertaken various Social Media Campaigns. During the period from April 01, 2020 to March 31, 2021, a total of 21 REs were traded on the Exchange.

Facilitating enhanced compliance and monitoring

The Exchange also completely automated the System driven disclosure under SEBI Takeover Regulations and SEBI Prohibition of Insider Trading Regulations (PIT Regulations). This is a significant development from the ease of doing business perspective.

To assist Compliance Officer in monitoring the trading activities under PIT regulations, Exchange offered a new service which enabled the Compliance Officer to check the trading activity done by employees, employees in the group companies and connected persons in the securities of the company. This facility was also extended to Asset

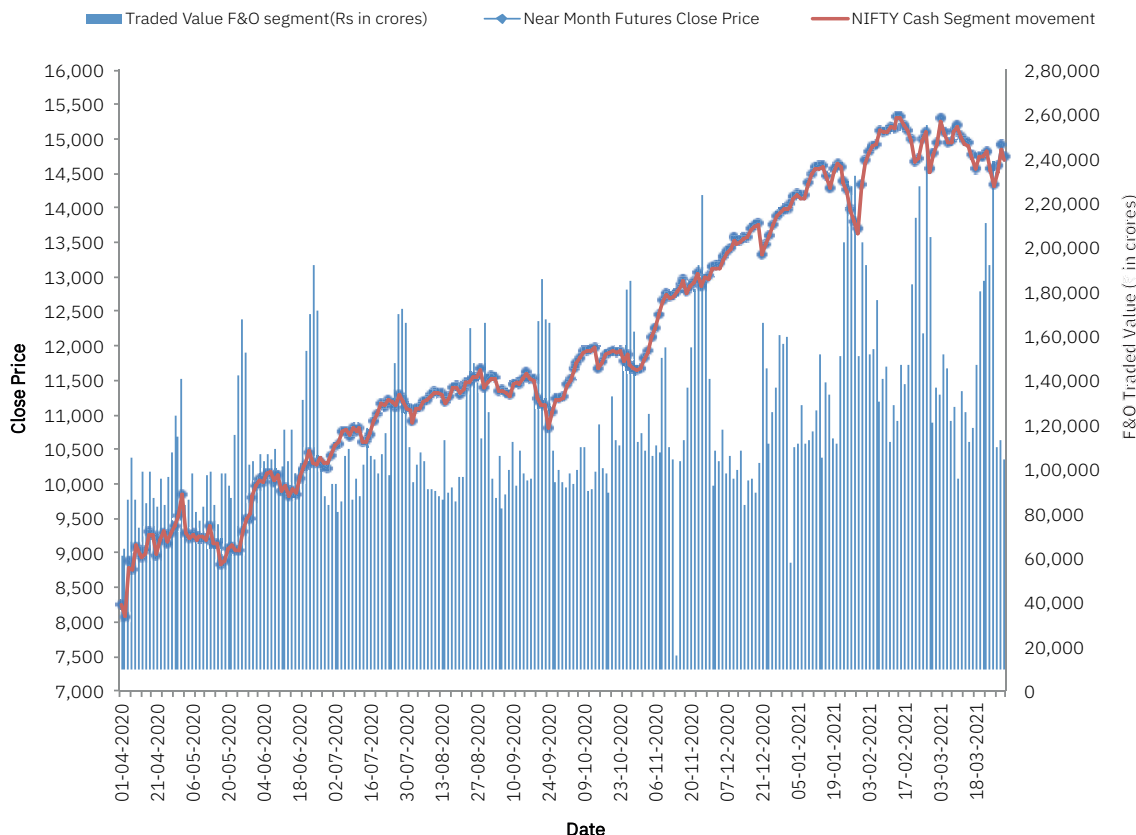
Management Companies (AMC). NSE and IiAS have jointly begun a CIO dialogue series as part of on-going efforts to improve communication between market participants. These discussions tend to be free-flowing conversations, understanding the concerns of investors and intermediaries and bringing greater clarity to issues that impact investment decisions. In February 2021, a dialogue was held with Index Providers and in March 2021, investors met with Proxy Advisory firms.

1.6 Futures and Options Segment

The financial year 2020-21 witnessed an increase of 84.85% in turnover and an increase in the number of contracts traded by 64.80% vis-à-vis 2019-20 and in the daily average open interest, it increased by 150.61% over the previous year in the F&O segment. The average contribution of the proprietary category increased to 30.31% in 2020-21 from 24.87% in 2019-20.

1.6.1. Comparison of the close prices of the Nifty Near Month Futures Contract (F&O segment) with the underlying movement of the Nifty Index (Cash segment) along with the Daily Traded value of the F&O segment:

Figure 5



Note: Special trading sessions were held on November 14, 2020 (Muhurat Trading) and live trading session from the Disaster Recovery site were held on September 28, 2020, September 29, 2020, March 30, 2021 and March 31, 2021.

1.6.2 Record Volumes achieved in the F&O segment during 2020-21:

Table 14

Category	Total	Date of Record
Index Options Premium Traded Value (₹ Crs.)	25,523.75	01-Feb-21
Stock Options Premium Traded Value (₹ Crs.)	5,908.56	02-Feb-21

It may be observed that during 2020-21, a new record was set in Index and Stock options.

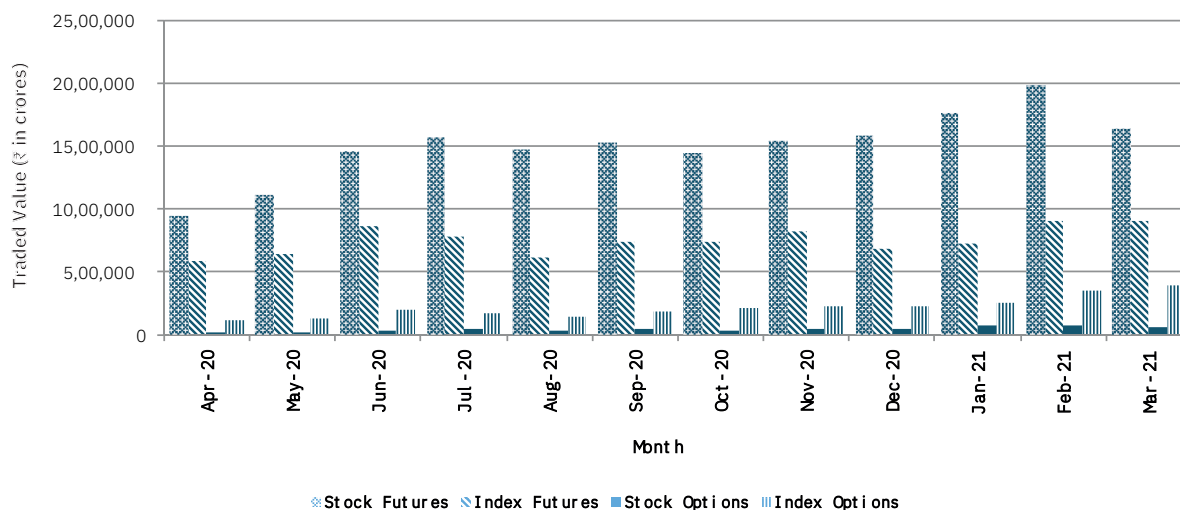
1.6.3 (a) Basic Statistics of the F&O segment:

Table 15

Particulars	Apr 20 to Jun 20	Jul 20 to Sep 20	Oct 20 to Dec 20	Jan 21 to Mar 21	2020-21	2019-20	% Change
Daily Average Traded Value (₹ in crores)	13,93,646	1,98,21,156	28,48,150	41,17,049	25,84,812	13,98,346	84.85
Daily Average Number of Contracts	2,67,40,676	3,02,91,899	3,64,96,472	4,35,83,902	3,42,76,550	2,07,98,495	64.80
Open Interest (₹ in crores) End of day averages	49,97,756	7,53,414	9,40,181	11,62,880	8,40,880	3,35,530	150.61
% of Open Interest to Daily Average Traded value	36%	38%	33%	28%	33%	24%	178%

1.6.3 (b) A graphical presentation of monthly product-wise contribution is given below:

Figure 6



Among all products, Index Options continued to dominate the Total Turnover with their contribution observed at 91.68% in 2020-21.

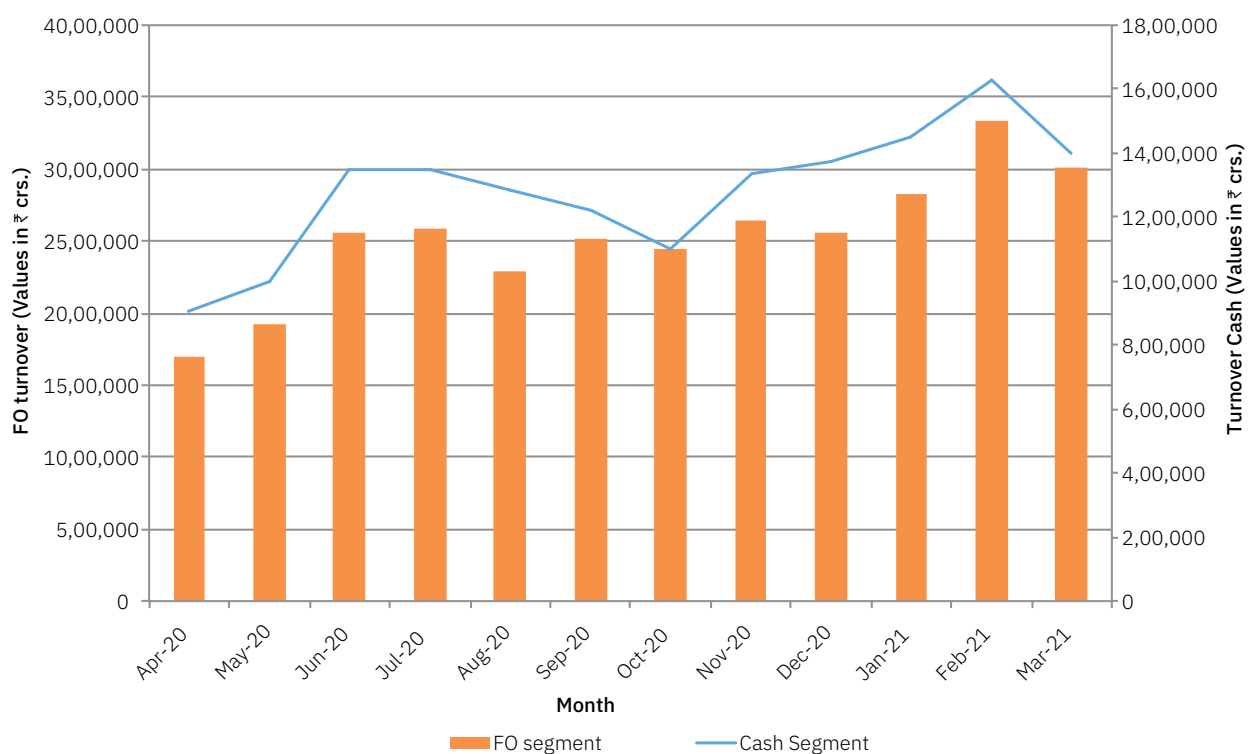
1.6.4 Institutional Retail & Proprietary Investors – Turnover Analysis:

Table 16

Sr. no	Year	Institutional		Retail		Proprietary	
		Average Gross Traded Value (₹ In Crs.)	Percentage Contribution	Average Gross Traded Value (₹ In Crs.)	Percentage Contribution	Average Gross Traded Value (₹ In Crs.)	Percentage Contribution
1	2019-20	1,32,51,907	28.99%	2,10,91,754	46.14%	11,30,144	24.87%
2	2020-21	1,45,41,553	23.95%	2,77,66,292	45.74%	1,84,01,733	30.31%

1.6.5 Comparative analysis of the Traded Value in the F&O segment with the Cash segment:

Figure 7



The ratio of F&O segment to cash segment using premium turnover was 2 times for the year 2020-21 as compared to 2.5 times for the year 2019-20.

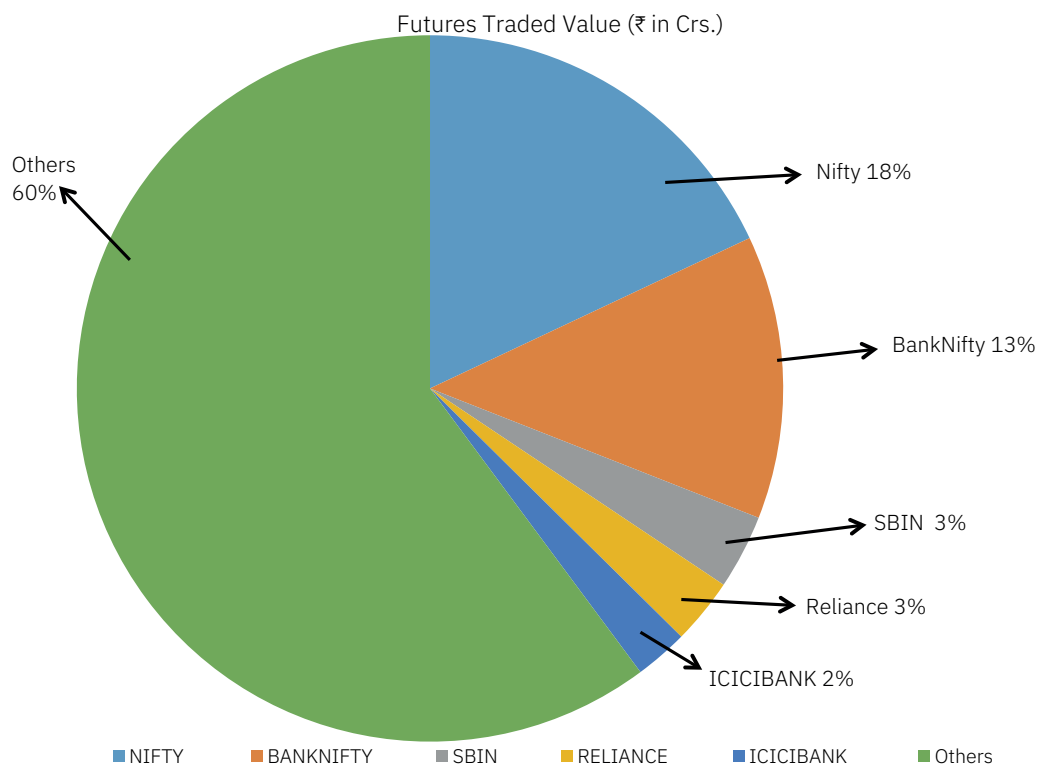
1.6.6 Product-wise Basic Statistics:

Table 17

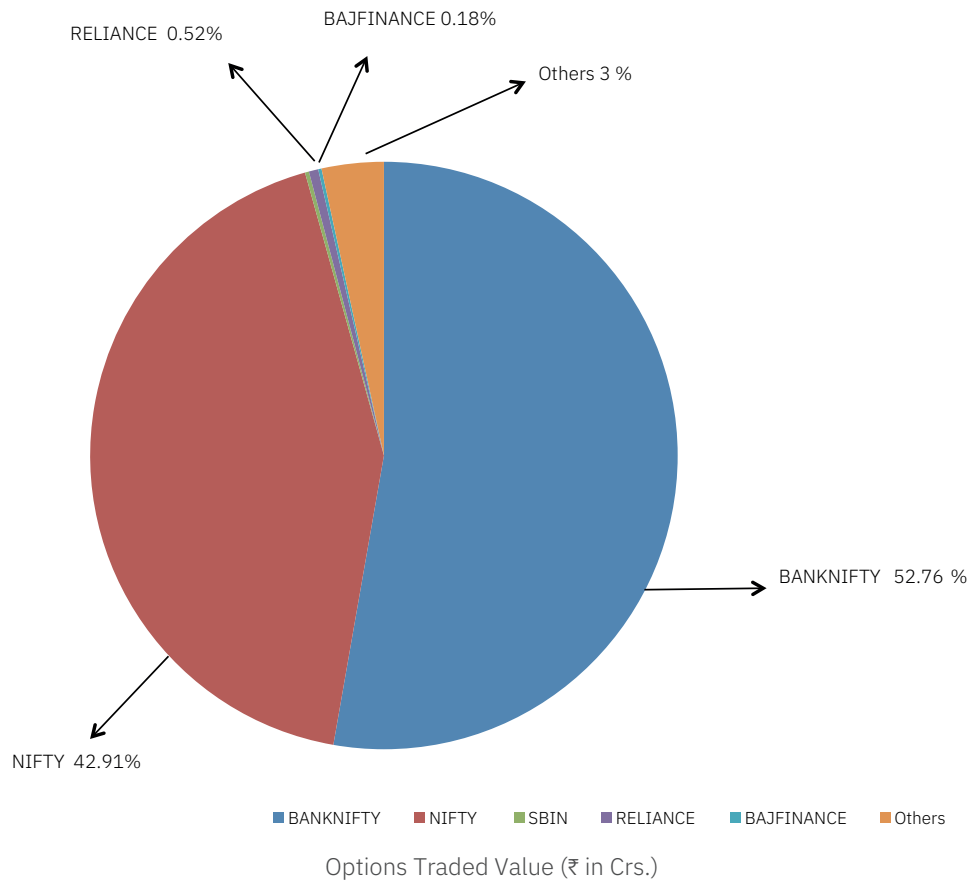
Category	Product	Apr 20 to Jun 20	Jul 20 to Sep 20	Oct 20 to Dec 20	Jan 21 to Mar 21	2020-21	2019-20	% Change
Daily Average No. of Contracts	Stock Futures	11,58,076	9,68,406	9,52,028	9,93,637	10,15,385	10,42,026	-2.56
	Index Futures	6,72,231	4,87,046	4,62,500	4,36,975	5,12,448	3,83,716	33.55
	Stock Options	9,29,182	12,19,466	13,98,871	17,53,431	13,26,886	8,03,148	65.21
	Index Options	2,39,81,187	2,76,16,981	3,36,83,072	4,03,99,860	3,14,21,830	1,85,69,606	69.21
Average OI Value (₹ in crores)	Stock Futures	1,66,423	2,09,482	2,29,231	2,73,906	2,20,059	1,14,589	92.04
	Index Futures	27,147	34,084	43,600	53,338	39,565	25,608	54.5
	Stock Options	56,016	1,16,040	1,36,164	1,77,948	1,22,076	32,944	270.55
	Index Options	2,50,189	3,93,807	5,31,186	6,57,687	4,59,181	1,62,389	182.77
Average Number of OI (₹ in crores)	Stock Futures	16,06,835	15,09,340	15,40,577	16,09,098	15,64,783	19,16,539	-18.35
	Index Futures	2,21,815	2,25,886	2,48,897	2,62,494	2,39,711	3,23,881	-25.99
	Stock Options	5,34,209	8,16,973	8,86,401	10,44,533	8,23,287	5,72,118	43.9
	Index Options	20,23,497	26,75,878	30,88,494	32,57,402	27,68,157	21,09,440	31.23
Number of trading days		59	66	63	61	249	247	

1.6.7 Top 5 Traded Symbols in F&O Segment

Futures: Figure 8 Top 5 symbols in equity futures



Options: Figure 9 Top 5 symbols in equity futures



1.6.8 New Developments during FY 2020-21

In FY 2020-21, various new developments have been initiated by the Exchange. The details of the same are given below:-

September 2020 - NEAT user id password reset and unlocking request through ENIT

The Exchange announced that members could submit password reset and unlocking request for branch manager and dealer user ids along with corporate manager user through ENIT.

October 2020 - Introduction of Quarterly Options contracts on Nifty Bank Index

Exchange informed members that the Quarterly Options contracts on Nifty Bank Index shall be made available for trading in Future & Options segment w.e.f. October 30, 2020.

October 2020 - Trade Execution Range (TER) For Quarterly Options contracts on Nifty Bank Index

Exchange informed the members that the TER mechanism shall not be applicable for Quarterly Options contracts on Nifty Bank Index.

December 2021 - Introduction of Futures and Options on Nifty Financial Services Index

Exchange introduced trading in Futures and Options on Nifty Financial Services Index (FINNIFTY) w.e.f. January 11, 2021.

February 2021 - ENIT - Pro Trading Module

The member can activate / deactivate the facility of placing “PRO” orders through the user ids which are allotted by the Exchange for trading. Also, members can now place requests to activate / deactivate the facility of placing “only PRO” orders as well as “PRO and CLI” orders through the Pro Trading module available on ENIT.

March 2021 - Market Data Introduction of Additional Streams in Futures & Options Segment.

Exchange introduced an additional set of streams in F&O. The contracts available for trading are being redistributed across 8 streams in the FO segment.

1.7 Currency Derivatives Segment

FY 2020-21 witnessed an increase in currency derivatives (Currency Futures and Options) turnover.

The average daily turnover in currency derivatives increased by 10.95% and stood at ₹ 23,421.80 crores in 2020-21 compared to ₹ 21,109.79 crores in 2019-20.

The daily average number of contracts increased by 18.08 % in 2020-21 and stood at 65,13,029 contracts as compared to 55,15,482 contracts traded in 2019-20.

The daily average open interest increased by 20.40% in 2020-21 as compared to what was observed last year during 2019-20.

The total number of members enabled in the currency derivative segment has declined to 515 for the year 2020-21 as compared to 548 for the year 2019-20.

Currency Futures: Average daily turnover in Currency futures for FY 2020-21 increased by 10.95% and stood at ₹ 23,361.54 crores as compared to ₹ 21,054.86 crores in

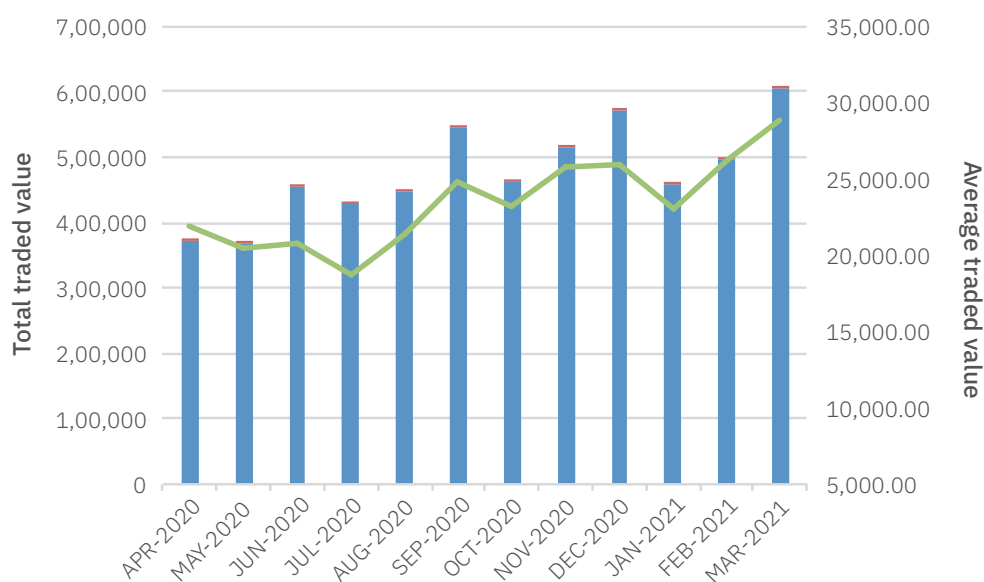
2019-20. Futures trading constituted 47.27% of the total turnover in the segment. USD-INR currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 73% in 2020-21.

Currency Options: Average daily turnover in currency options increased by 10% in 2020-21 and stood at ₹ 60.26 crores compared to ₹ 54.92 crores during 2019-20. The average market share of NSE in currency options stood at 67% in 2020-21.

Interest Rate Derivatives: Average daily turnover in Interest Rate Futures for FY 2020-21 decreased by 73.22% and stood at ₹ 397.51 crores as compared to ₹ 1,484.82 crores in 2019-20. The daily average open interest decreased by 60.11% and stood at 64,663.72 contracts as compared to 1,62,113 contracts in the previous year.

Figure 10

Currency Futures and Options Turnover (₹ crores)



New Developments in the currency derivatives segment during the year 2020-21

In the year 2020-21, various new developments have been initiated by the Exchange. The details of the same are given below:-

September 2020 - NEAT user id password reset and unlocking request through ENIT

The Exchange announced that members could now submit password reset and unlocking request for branch manager and dealer user ids along with corporate manager user ids in Currency Derivatives (CDS) through ENIT.

November 2020 - Introduction of Weekly Futures and Options contracts on EURINR, GBPINR and JPYINR

Exchange introduced Weekly Futures and Options contracts on EURINR, GBPINR, and JPYINR for trading in Currency Derivatives segment w.e.f. December 07, 2020.

December 2020 - Interest Rate Futures and Options contracts on 10-year Government of India (GOI) security

Exchange introduced Interest Rate Futures and Options on new 10-year security.

February 2021 - ENIT - Pro Trading Module

The member can activate / deactivate the facility of placing “PRO” orders through the user ids which are allotted by the Exchange for trading. Also, members can now place requests to activate / deactivate the facility of placing “only PRO” orders as well as “PRO and CLI” orders through the Pro Trading module available on ENIT.

1.8 Debt Market Segment

NSE launched its first dedicated Debt Platform on May 13, 2013. The Debt segment provided an opportunity to retail investors to invest in corporate bonds on a liquid and transparent exchange platform. The segment has helped Institutions who are holders of corporate bonds with a platform to buy and sell at optimum prices and help Corporates to source demand, when they are issuing the bonds.

In an endeavour to centralise trading in all debt instruments into a single platform, the Exchange introduced a new web based negotiated reporting platform for reporting of all the deals in debt instruments by trading members with effect from July 01, 2015 in the Debt segment. The Exchange has closed WDM from July 03, 2015 and merged it with the New Debt Segment. In 2016, NEATPLUS Debt had been discontinued w.e.f. November 28, 2016 and the same was migrated to the Web Based New Debt Market (NDM) platform.

The debt segment consists of negotiated trade reporting platform and order matching platform.

The turnover on the Debt segment decreased in FY 2020-21. The turnover decreased to ₹ 2,71,695.80 crores in 2020-21 from ₹ 4,14,827.92 crores in 2019-20 registering a decrease of 34.50%. The average daily turnover decreased to ₹ 1,113.51 crores in 2020-21 from ₹ 1,714.16 crores in 2019-20.

The business growth on the Debt segment of the Exchange is presented in Figure 11 & 12.

Figure 11:

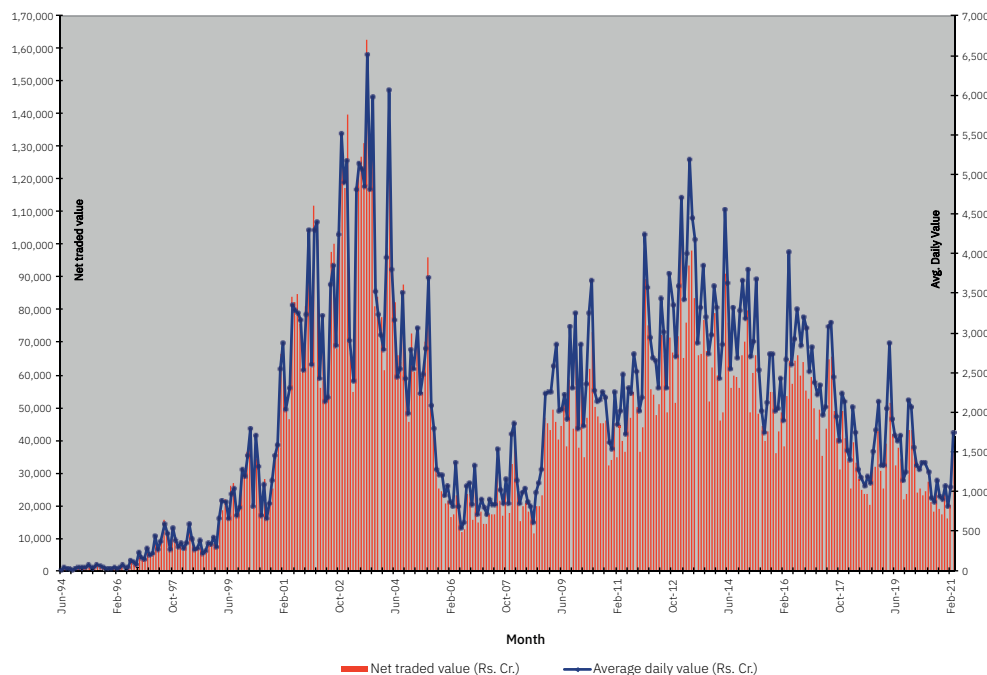
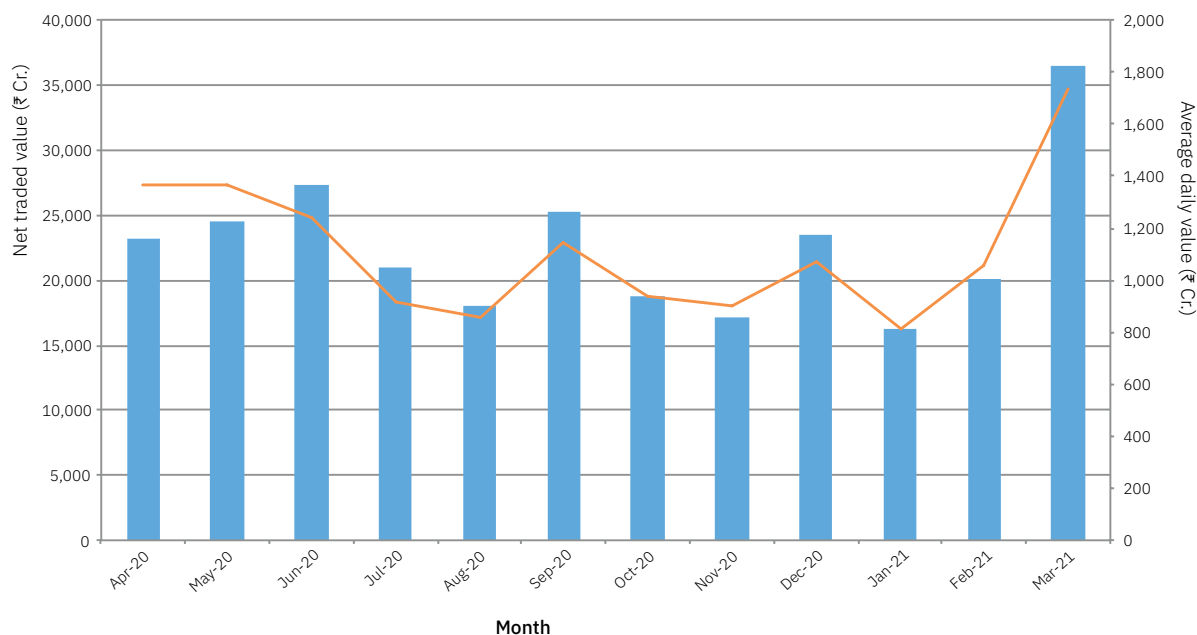


Figure 12:

Turnover in Debt segment for FY 2020-2021



The transactions in dated government securities account for a substantial share in the Debt segment with 93.60% in 2020-21. 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 the Debt segment stood at ₹ 7,88,59,213 crores as on March 31, 2021.

Table 18 : Trades in Debt segment

Particulars	2020-2021	2019-2020
Number of Trades	3,717	7,177
Average monthly number of trades	310	598
Average daily number of trades	15	30
Average Trade Value (₹ in crores)	73	58
Average Daily Turnover (₹ in crores)	1,114	1,714
Turnover (₹ in crores)	2,71,696	4,14,828
Number of Active Scrips	906	1,372
Number of Active members	23	23

1.8.1 Securities Profile

The turnover of Government securities in the Debt segment decreased by 34.50% during 2020-21. Its share in total turnover decreased from 59.65% in 2019-20 to 55.33% in 2020-21. The share of Treasury Bills increased from 27.18% in 2019-20 to 38.27% in 2020-21. The turnover of Non-Government securities in the Debt segment decreased by 51.40% during 2020-21. During 2020-21, the share of Non-Government Securities in total turnover decreased to 6.40% as compared to 13.17% in 2019-20.

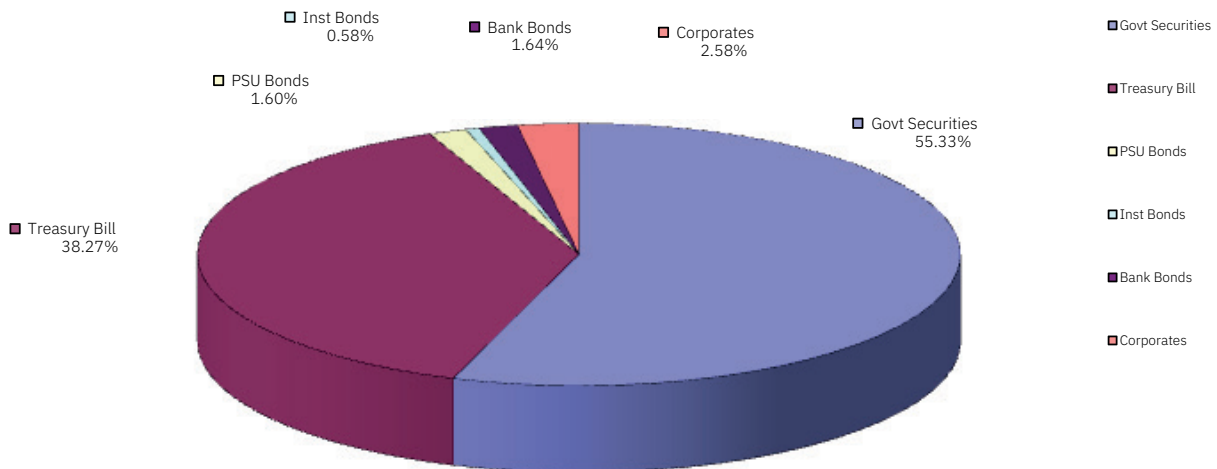
Table 19 and Figure 13 represent the security-wise distribution of turnover.

Table 19 : Security-wise Distribution of Turnover

Securities	2020-21		2019-20	
	Turnover (₹ in crores)	% of Turnover	Turnover (₹ in crores)	% of Turnover
Government Securities	1,50,321	55.33	2,47,428	59.65
T-Bills	1,03,980	38.27	1,12,743	27.18
PSU Bonds	4,342	1.60	18,102	4.36
Institutional Bonds	1,580	0.58	5,204	1.25
Bank Bonds	4,457	1.64	4,407	1.06
Corporate Bonds	7,016	2.58	26,944	6.50
Total	2,71,696	100.00	4,14,828	100.00

Figure 13: Security wise Distribution of Turnover

Debt Security Trades 2020-2021



1.8.2 Issuances in Debt Segment

A total of 2,908 securities were listed during FY 2020-21. As at end of March 2021, 7,999 securities were available for trading on the Debt segment. Details of Issuance in Debt are provided in Table 20.

Table 20: Issuance in Debt Segment

Financial Year	No of New Securities Listed	Total No. of Securities (at year end)	Market Capitalisation (at year end ₹ in Crs)
2004-05	1,299	3,097	14,61,734
2005-06	564	3,177	15,67,574
2006-07	661	3,252	17,84,801
2007-08	856	3,566	21,23,346
2008-09	1,026	3,954	28,48,316
2009-10	959	4,140	31,65,929
2010-11	1,080	4,479	35,94,877
2011-12	1,508	5,148	42,72,736
2012-13	1,707	5,782	49,28,332
2013-14	1,304	5,952	51,28,733
2014-15	1,694	6,546	57,39,273
2015-16	1,905	7,089	59,65,056
2016-17	1,815	8,083	66,11,684
2017-18	1,637	8,111	72,67,230
2018-19	1,150	7,742	81,40,888
2019-20	2,071	7,889	95,70,055
2020-21	2,908	7,999	7,88,59,213

1.8.3 Market Capitalisation

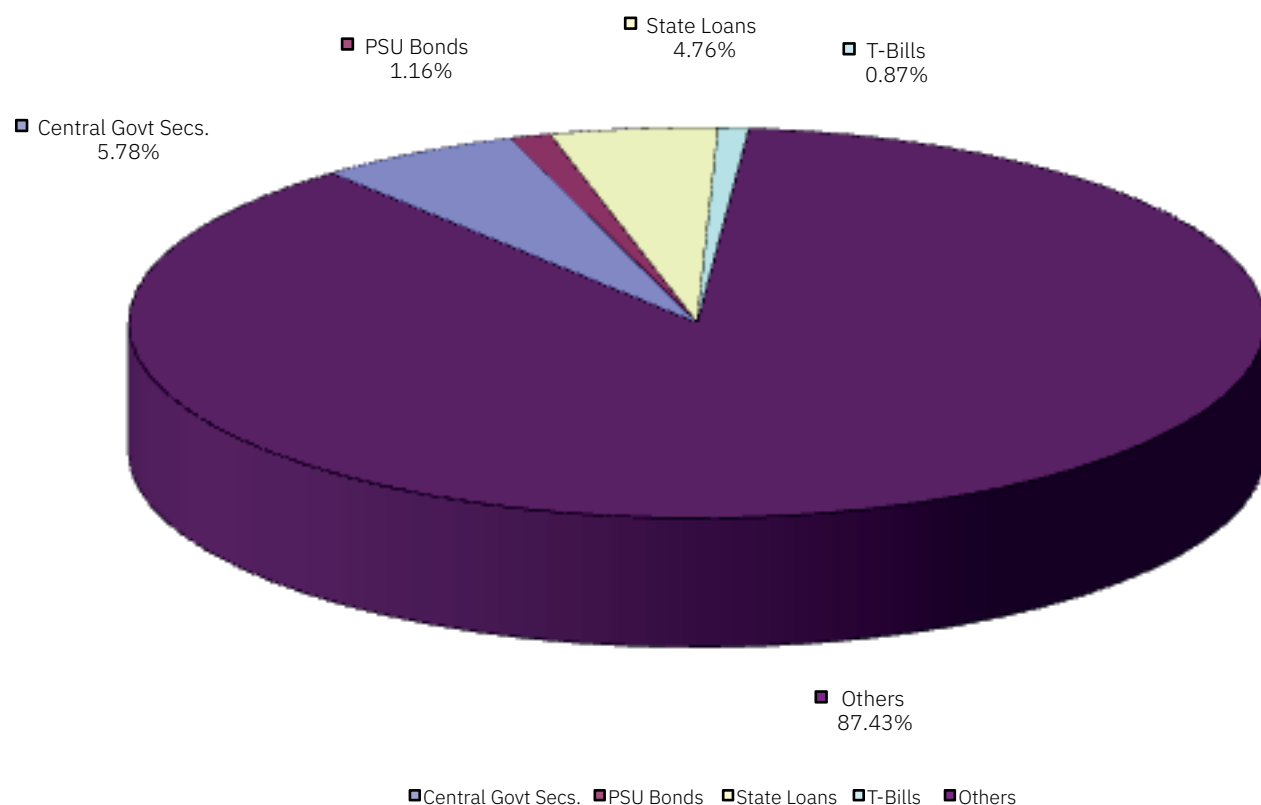
Total Market capitalization of the securities available for trading in the Debt segment increased to ₹ 7,88,59,213 crores in 2020-21 from ₹ 95,70,055 crores in the previous year registering a growth of 724.02%. The Central Government securities accounted for 5.78% of the share of the market capitalization while Non Government Securities accounted for 88.59%. The composition of the market capitalization of various securities on Debt Segment is presented in Table 21.

Table 21: Market Capitalisation of Debt Segment

Securities	As on March 2021		As on March 2020	
	Market Cap. (₹ in crores)	% of total	Market Cap. (₹ in crores)	% of total
Central Government Secs.	45,58,328	5.78	33,14,773	34.64
PSU Bonds	9,14,071	1.16	8,09,011	8.45
State Loans	37,55,491	4.76	30,69,980	32.08
T-Bills	6,85,036	0.87	5,29,400	5.53
Others	6,89,46,287	87.43	18,46,890	19.30
Total	7,88,59,213	100.00	95,70,055	100.00

Figure 14: Market Capitalisation of Debt segment

Market Capitalisation (As on March 31, 2021)



1.8.4 Corporate Bond Market

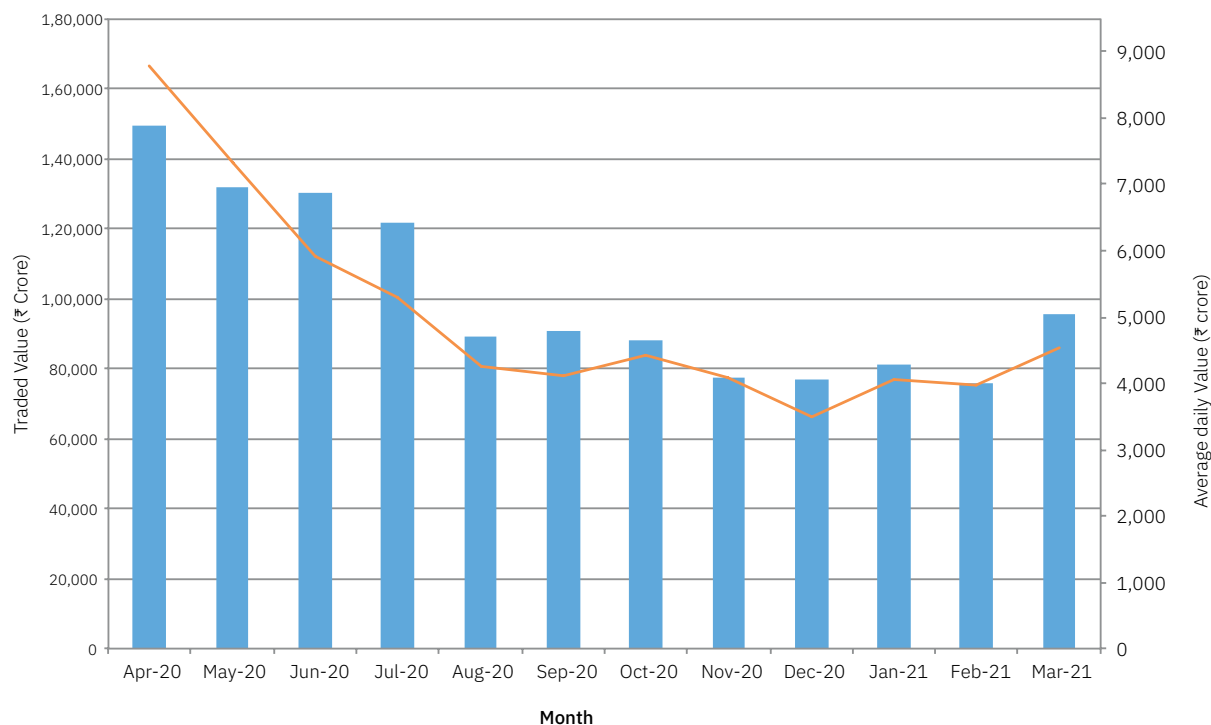
Currently, for reporting trades in corporate bonds, Exchange provides two platforms namely Debt Segment and CBRICS. The average daily traded value reported through a corporate bond for 2020-21 was ₹ 4,949 crores (Debt Segment & CBRICS) as compared to ₹ 5,574 crores for 2019-20 with an average of around 285 trades being reported on a daily basis as compared to 304 trades for 2019-20.

Turnover of Corporate Bonds is presented in Table 22 and Figure 15:

Table 22: Corporate Bond Turnover

Corporate Bond Turnover	2020-2021	2019-2020	%Change
Total Turnover (₹ Crs.)	12,07,541	13,48,882	-10.48
Average Daily Turnover (₹ Crs.)	4,949	5,574	-11.21
Total Number of Trades	69,496	73,588	-5.56
Average Daily Trades	285	304	-6.25

Figure 15: Corporate Bond Turnover for FY 2020-2021



1.8.5 New Products launched by NSE in FY 2020-21

1. Gold mini Options

NSE launched the Gold mini Options contract on June 8, 2020. This unique offering is an Option on Goods product unlike Options on Futures which are prevalent on domestic exchanges. The Gold mini contract, which is 100 grams denomination contract is ideal for all categories of participants. This innovative product merges settlement of Options contract with corresponding Futures contracts, thereby offering a natural risk mitigation for participants trading on the NSE platform.

2. Trading of Treasury Bills and State Development Loans in Capital Market Segment

NSE launched trading in Treasury Bills (T-Bills) and State Development Loans (SDLs) in its Capital Market Segment from July 27, 2020. T-bills are issued by the Central Government whereas SDLs are issued by State Governments. Both are considered as eligible investments for banks for the purpose of meeting SLR (Statutory Liquidity Ratio) requirements. T-bills are issued in three maturities namely 91 days, 182 days and 364 days whereas SDLs are largely issued in the range of 3 to 35 years with the majority of issuance taking place in the 10-year maturity segment. Earlier, NSE had

introduced the NSE goBID online platform to allow retail investors to invest in fresh/re-issuances (primary market) of G-secs, T-bills and SDLs through the non-competitive bidding mechanism.

3. NSE Refiner Standards for BIS – Standard Gold

NSE launched the NSE Refiner Standards (NRS) for BIS – Standard Gold on July 10, 2020. The NRS standards would enable the acceptance of gold bars produced by the domestic refiners in India in addition to acceptance of serially numbered gold bars produced by London Bullion Market Association (LBMA) approved refiners for settlement of the gold derivatives contracts traded on the NSE platform. The introduction of NRS by NSE shall facilitate greater participation from the domestic market players in the exchange traded deliverable bullion commodity derivatives by widening the scope of acceptable bullion commodity for delivery on the NSE platform.

4. Silver Options

NSE launched the Silver Options contract on September 1, 2020. This unique offering is an Option on Goods product unlike Options on Futures which are prevalent on domestic exchanges. The newly launched Silver options contract is ideal for all categories of participants.

This innovative product merges settlement of Options contract with corresponding Futures contracts, thereby offering a natural risk mitigation for participants trading on the NSE platform.

5. Quarterly index options on Nifty Bank Index

NSE launched quarterly index options contracts on Nifty Bank Index from October 30, 2020. The 3 quarterly expiries will be in addition to the 7 serial weekly cycles excluding the monthly expiry and 3 consecutive months trading cycle – Near-Month, Mid-Month and Far-Month.

6. Crude Degummed Soybean Oil (CDSO) Futures

NSE launched the CDSO contract on December 1, 2020. The launch of this contract marked NSE's foray into the agriculture commodity product category. This futures product which is based on imported crude degummed soybean oil fills the gap by catering to edible crude oil industry / market participants which earlier was missing and it also ensures there are no lean months in the contract lifecycle.

7. Weekly futures and options on EUR-INR, GBP-INR and JPY-INR

NSE launched weekly futures and options contracts on the EUR-INR, GBP-INR and JPY-INR currency pairs in the currency derivatives segment from December 7, 2020. This is the first time exchange has offered a weekly futures product in the currency derivatives segment. With this launch, 11 serial weekly contracts expiring on Fridays are being made available, excluding the expiry week wherein monthly contracts will expire on that Friday in addition to 12 serial monthly contracts in futures and 3 serial monthly contracts followed by 3 quarterly contracts of the cycle March/June/September/December in options.

8. Derivatives on the Nifty Financial Services Index

NSE launched futures and options contracts on the Nifty Financial Services Index on January 11, 2021. The Nifty Financial Services Index comprises of 20 stocks and is designed to reflect the behavior and performance of the Indian financial service sector which includes banks, financial institutions, housing finance, insurance companies and other financial services companies.

Exchange offers futures and options in 7 serial weekly contracts excluding the monthly expiry and 3 serial monthly contracts. This is the first time that the Exchange will make available weekly futures for the stock index derivatives. The derivatives are cash settled with expiry day being the last Thursday of the expiry month for the monthly contracts and Thursday of the expiring week for weekly expiry contracts. The option contracts are European styled Call Option (CE) and Put Option (PE) with a strike scheme of 30-1-30 and strike interval of 100.

9. Copper Futures

NSE launched the Copper Futures contract on February 22, 2021. The launch of this contract marked NSE's foray into the base metal product category. This product is based on Copper Cathode where physical delivery of LME Brand Grade 1 Copper cathode is permitted. Exporting nations which have duty advantages, have been excluded from the delivery list for ensuring a level playing field.

10. Copper Options

NSE launched the Copper Options contract on February 22, 2021. The launch of this contract marked NSE's foray into the base metal product category. This unique offering is an Option on Goods product unlike Options on Futures which are prevalent on domestic exchanges. The newly launched Copper options contract is ideal for all categories of participants. This innovative product merges settlement of Options contract with corresponding Futures contracts, thereby offering a natural risk mitigation for participants trading on the NSE platform.

1.9 Membership at NSE

19 new members (1 in CM, F&O, CD, CO and Debt segments; 4 in CM, F&O, CD and CO segments; 3 in CM, F&O and CD segments; 1 in CM, F&O and CO segments; 4 in CM and F&O segments; 1 in CM, F&O and Debt segments; 1 in F&O and CD segments; 1 in CM segment; 3 in F&O segment) were registered during the Financial Year 2020-21.

The Exchange also granted additional segment membership to 19 members during FY 2020-21.

Table 23: showing membership details for FY 2020-21

Particulars	CM Segment	F&O Segment	CD Segment	Debt Segment	Commodity Segment	Composite membership (CM, F&O, CDS and Debt)	Total Members
SEBI registered trading members ¹	15	18	9	2	9	1,177 ²	1,329 ²
Members registered in additional segments ¹	2	3	3	4	13		
Authorised persons ²	1,03,608	94,351	28,979	Nil	2,769		
Surrender of membership ¹	41	45	22	4	6		
Expulsion/Declaration of Defaulter ¹							13
Withdrawal of Membership ¹							8

¹ New Membership/Segment additions/surrender/expulsion during FY.

² Data as on March 31, 2021

1.9.1 New developments during the year 2020-21 in Membership Compliance

Exchange has taken the following regulatory initiatives during FY 2020-21

1. Successful transfer of the trading & demat accounts with Karvy Stock Broking Limited through a formal bidding process undertaken in the interest of Karvy's clients. ₹ 125 crores received from the successful bidders will be utilised for meeting the claims of clients of Karvy.
2. Enhanced disciplinary actions put in place for Net-worth non-submission & shortfall to ensure adherence by the Members to the continued Admittance norms of the Exchange.
3. Membership of 46 not-enabled Members withdrawn as part of Exchange's initiative to terminate the registration of Members who have not enabled themselves for a considerable period of time.
4. Guidelines issued on cross selling of non-broking products/services by Members thus enhancing the transparency and providing more information to the investors.
5. Dissemination of the list of Members with inadequate Net-worth on the NSE website.

2.1 SERVICES TO INVESTORS

During FY 2020-21, the Exchange dealt with 13,621 investor complaints against trading members and companies (excluding complaints against defaulter/expelled trading

members) and facilitated 401 arbitration and appellate arbitration cases.

The Exchange has 24 Investor Service Centers covering the length and breadth of the country to provide assistance to investors for complaint resolution and provide arbitration mechanism. The Exchange has empanelled 156 Arbitrators and 138 Grievance Redressal Committee (GRC) members across the 24 centers.

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.

In the current situation of pandemic and in order to abide by the guidelines prescribed by the Government for social distancing to curb the spread of COVID 19, Exchange started conducting GRC and Arbitration meetings through video conference facility after seeking relevant consent from parties. This enabled the parties and adjudicator to attend the meeting from the comfort and safety of their home and helped the Exchange to redress the complaints and complete the arbitration proceedings. Exchange also conducted in-person meetings whenever the same was requested by the parties.

Dissemination of information to Investors:

1. A welcome SMS & Email is sent to all new investors whose Unique Client code details are uploaded by trading member.
2. A daily SMS and Email are sent to the investors who have traded for that day informing them of their trade details.
3. Weekly SMS and Email is sent to investors informing them of their funds and securities balances uploaded by the trading member.
4. Monthly caution SMS and Email is sent to investors to be cautious and not fall prey to unsolicited tips and take informed decisions while investing.
5. Daily advisory message is broadcast on the trading terminal to create awareness among investors.
6. Exchange had conducted a social media campaign advising investors not to get misled by advertisement / influenced about claims of fixed / assured returns.

Investor Awareness Programs conducted:

During the year 2020-21, the Exchange conducted a total of 3,500 IAPs vide webinars covering approximately 2.85 lacs participants. 202 IAPs were conducted with SEBI and 180 Commodity Segment focused IAPs were conducted with Jewellers, Traders, Farmers and MSMEs. As a part of Investor awareness programs for the Commodity market, a new initiative was undertaken to conduct a quiz that more than 1,000 participants attended.

A standard presentation for conducting awareness programs was prepared covering the topics- E-KYC Process, How to open a Trading Account, Precautions for Power of Attorney Accounts, Order placement, Post Trade Checks, Pre trade analysis & precautions while dealing in F&O segment, Running Account Settlement, Margin & Pledge - Re pledge, Margin Trading Facility (MTF) & its Risk Management and Investor Grievance Redressal Mechanism.

NSE-Investor Protection Fund Trust in collaboration with the Centre for Capital Markets at IIM-Bangalore has developed "PIE-Platform for Investor Education" to create a unique platform which disseminates and continually updates quality educational content in various areas of investments. During the World Investor Week 2020 held from November 23-29, 2020, a total of 592 IAPs were conducted Pan India vide webinars in which 36,812 participants were present.

Simplification of claims filing process by Investors against Defaulter / Expelled members:

In order to reduce the timelines for processing of claims of

the investors in case of Trading Member defaults, as advised by SEBI, the Exchange has operationalised a detailed Standard Operating Procedure (SOP) covering procedures and timelines for obtaining information from investors, processing the investor claims from IPF, review of claims and the timeline for the declaration of a Trading Member as a defaulter. The policy for the evaluation of claims has been made available on the Exchange website. The claim form has also been simplified and the number of documents to be filed has been reduced to enhance ease in filing claims against defaulters / expelled members.

Handling of complaints against listed companies received from SCORES:

SEBI vide circular dated August 13, 2020, provided for Standard Operating Procedure for handling complaints received against the listed companies from SCORES. The circular provided for the penalty and penal actions to be taken against the companies for not redressing the complaints within the specified time. The circular was implemented in co-ordination with other Exchanges and a detailed standard operating procedure along with a compliance calendar was submitted to SEBI.

Training of Arbitrators & Grievance Redressal Committee:

- For FY 2020-21, NSE organised familiarization programs at all 8 regions allocated as per SEBI directives.
- An online training platform for GRC members and Arbitrators called NSE Arbitrator and GRC Familiarization Module was launched. This online training platform is launched on a platform called NSE Knowledge Hub. This enables the Arbitrators and GRC members to access information on circulars issued, expert content on financial markets, content from TED, MIT, WSJ, Youtube, premium content from Coursera etc.

With a view to equip the GRC Members / Arbitrators to handle the proceedings efficiently, a standard document of probable questions which could be posed to the parties was circulated to them.

2.2 Surveillance at NSE

The Exchange has a state-of-the-art Surveillance system. The system has the capacity to sift through millions of orders, trades and client information, to generate meaningful actionable alerts.

Towards our continuous endeavour to improve the quality of analysis under the NewGen Surveillance System, multiple enhanced modules with more features were released during the year including market monitoring dashboards, stock watch screens and various workflow-based modules. Certain

additional visualization utilities have also been added on the market monitoring dashboard which makes monitoring more intuitive. A new user interface for the Case Management system was also released.

During FY 2020-21, the Exchange has submitted 27 investigation reports covering 400+ scrips to SEBI on various types of manipulation, which include insider trading, front running, price volume manipulation and media recommendation.

3. RESEARCH AND THOUGHT LEADERSHIP INITIATIVES IN FY 2020-21

With an ongoing endeavour to support research in diverse fields in the area of finance such as empirical finance, securities market, market microstructure and corporate governance, among others, NSE has continued to collaborate with top-notch global and domestic academic research institutions, renowned think tanks and global multi-lateral agencies. The NSE Data Room—a cloud-based research facility launched in April 2021—will provide an enabling platform to researchers to access and analyze historical orders and trades data, thereby paving the way for a wider gamut of research opportunities. Wider dissemination of NSE's research efforts as well as regular deliberations via panel discussions and webinars have helped drive policy advocacy at a broader level. Some of the initiatives conducted in the year 2020-21 are listed below.

3.1 Webinars and Conferences

In the year 2020-21, the Economic Policy and Research (EPR) department strengthened its efforts to organise a host of virtual events including webinars and conferences 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 eighth annual conference in December 2020. The conference was held over three days in a virtual format which allowed participation from across the world including panellists/speakers as well as attendees. The conference entailed presentation and deliberations on six research papers, a panel discussion on the roadmap to a vibrant corporate bond market and key-note speeches by two global luminaries—Prof. Michael Kremer (2019 Nobel Laureate and Professor at the University of Chicago) and Prof. Nouriel Roubini (Professor at NYU Stern School of Business)—on macroeconomics and finance. Papers presented in the conference engendered

policy-related discussion, significant outreach and saw participation from more than 750 attendees. White papers and presentations of the academic/policy papers discussed during the NSE-NYU conference over the years are available on the NSE portal.

3.1.2 NSE-IMF Webinar: NSE collaborated with the International Monetary Fund (IMF) to organise an exclusive webinar in July 2020 on the impact of COVID-19 on the world economy and prospects for India. The webinar saw senior dignitaries of the Fund providing their views on the global growth outlook, risks, and policy recommendations, with a special focus on challenges and opportunities faced by India. The event included a presentation by Dr. Chang Yong Rhee, Director—Asia Pacific, Dr. Ranil Salgado, Assistant Director—Asia Pacific, and Dr. Luis Breuer, Senior Resident Representative—India, Nepal and Bhutan on key takeaways from the Global and Regional World Economic Outlook reports released in June 2020, followed by a high-powered panel discussion examining challenges and opportunities for India. A detailed report on the takeaways from the discussion was published post the event, disseminated to a wide audience and is also available on the NSE portal.

3.1.3 Corporate Governance Initiative with Excellence Enablers:

In 2020-21, NSE also collaborated with Excellence Enablers, a corporate governance advisory firm, to conduct a series of engagements with thought-provoking discussions in the field of corporate governance by distinguished personalities from the industry. Under this initiative, six webinars were conducted entailing discussions spanning across the gamut of corporate governance issues, including crisis management, financial sector regulations, instruments of corporate governance, conflict of interest, strengthening institutions, and corporate social responsibility. Detailed takeaways from each of these webinars were published as separate reports and widely disseminated and are also available on the NSE portal.

3.1.4 Webinar on the impact of COVID-19 on the agriculture sector:

With an aim to discuss the impact of the COVID-19 pandemic on the agricultural economy of India, NSE organised a webinar in May 2020 with eminent personalities from the agricultural sector. The panel comprised of Prof. Ashok Gulati—the Infosys Chair Professor for Agriculture at ICRIER, Dharmakirti Joshi—the Chief Economist at CRISIL and Simon Wiebusch—the Chief Operating Officer for the Crop

Science Division of Bayer in India, Bangladesh and Sri Lanka. Key takeaways from the discussion were summarised into a report and disseminated externally.

3.1.5 NSE Scholar Program: Continuing its efforts to remain at the forefront of encouraging and supporting financial market research, NSE concluded the first edition of 'NSE Scholar Program' last year. The program entailed a collaboration with top business schools and research institutions in India to get their students/researchers/faculty to conduct research or review of existing research on contemporary topics relevant to financial markets. The best three papers identified based on an exhaustive internal and external evaluation were awarded with an honorarium and are featured on the NSE portal.

3.1.6 Other events: Under the aegis of NSE-ISB Trading Lab, a webinar on putting academic research to practice was conducted in December 2020, where the panellists discussed about anomalies that exist in the capital market and characteristics of these anomalies in emerging markets like India. The Lab also conducted another webinar in February 2021 by Prof. Krishnamurthy Subramanian—Chief Economic Advisor, Government of India on the impact of COVID-19 on lives and livelihoods and policy measures implemented—one of the chapters of the Economic Survey 2020-21. In February 2021, NSE, in collaboration with IIAS, organised the third round-table discussion in the CIO Dialogue series between index providers and institutional investors. Unlike the first two that were held in 2019-20 with rating agencies and auditors at NSE Premises, the third CIO Dialogue was held virtually and entailed discussions regarding challenges faced by institutional investors with respect to regulations and market structure.

3.2 Research Collaborations

NSE has been collaborating with renowned global and domestic research institutions over the years to support research in the areas of empirical finance and corporate governance.

Among educational institutions, NSE continues to closely work 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 on topics relevant to financial markets. The NSE Centre for Behavioural Science in Finance, Economics and Marketing—a collaboration with the Indian Institute of Management Ahmedabad (IIMA) entered

into in 2019-20 is currently being set up with an aim to support cutting edge applied research on behavioural science in India. Besides ISB and IIMA, NSE works closely with the Indian Council for Research in International Economic Relations (ICRIER) on developing agricultural markets in India.

3.3 NSE Data Room

An important initiative undertaken by NSE to encourage and support research during the last fiscal year is the creation of the NSE Data Room (NDR). The NDR—a controlled cloud-based data repository system with basic analytical tools and a software environment launched in April 2021—allows researchers in India and beyond to access and analyse NSE's time-bound historical tick-by-tick orders and trades data for a specified period. The NDR platform is expected to facilitate NSE's research initiatives further and support policy formulation through seamless access to market microstructure data. Researchers would get access to NSE Data Room based on the NSE Data Dissemination and Operational Guidelines.

3.4 Quarterly Briefings under the aegis of the NSE-Centre for Excellence in Corporate Governance (NSE-CECG)

To project NSE as a 'thought leader' in corporate governance and engage with its listed companies on important governance issues, the NSE Centre for Excellence in Corporate Governance (NSE-CECG) was established in 2012-13. Under its aegis, 27 issues of Quarterly Briefings have been published and released and are also available on the NSE portal.

3.5 Publications of NSE

NSE's flagship publication, the *NSE Market Pulse*, a monthly review of the financial markets and economy, was further expanded during the year to include contributions from within and outside the organisation. The report is now widely distributed and includes analysis on all major macro data releases and events, thematic pieces on the economy or markets, insights from relevant academic research in financial markets, new product launches, 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 EPR Department expanded its research efforts further during the year and now covers all major macro/market events with commentary disseminated through reports that are widely circulated, and also available on the NSE portal. Besides regular coverage of the economy and markets, the Department also regularly undertakes theme-based research

initiatives. During the year, the Department published two thematic reports—the first provided a detailed macro and market outlook in the wake of the COVID-19 outbreak, and the second attempted a deep-dive into finances of state governments and developed an in-house performance score called the State of States Index (SSI) to rank states based on multiple dimensions of economic, social, financial and fiscal indicators. In addition, the Department also came out with quarterly publications on ownership patterns and trends in Indian companies listed on NSE and corporate performance of Nifty 50 and Nifty 500 companies.

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 ₹ 1,787.28 crores on a standalone basis and ₹ 3,573.42 crores on a consolidated basis, as per particulars given below:

Table: 24 (₹ in crores)

Particulars	NSE (Standalone)		NSE (Consolidated)	
	2020-21	2019-20	2020-21	2019-20
Income	5,466.05	3,229.89	6,202.33	3,897.52
Expenditure	1,430.54	1,113.13	1,710.15	1,422.76
Profit before share of net profits of investments accounted for using equity method, profit on sale of investments in associates, contribution to Core Settlement Guarantee Fund and tax	4,035.51	2,116.76	4,492.18	2,474.76
Add: Share of net profit of associates and joint ventures accounted by using equity method	-	-	65.90	112.57
Profit before profit on sale of investments in associates, contribution to Core Settlement Guarantee Fund and tax	4,035.51	2,116.76	4,558.08	2,587.33
Add: Profit on sale of investment in associate	-	-	1,735.09	-
Less: Contribution to IPFT	(1,822.05)	-	(1,822.05)	-
Add /(Less): Reversal / Contribution to Core Settlement Guarantee Fund (Core SGF)	62.08	(62.08)	62.08	(62.08)
Less : Impairment of Intangible assets under development	-	-	(68.23)	-
Profit before tax	2,275.54	2,054.68	4,464.97	2,525.25
Tax expenses (including deferred tax)	(488.26)	(494.22)	(891.55)	(640.47)
Profit after tax	1,787.28	1,560.46	3,573.42	1,884.78
Surplus brought forward from previous year	6,866.58	6,333.94	8,572.49	7,738.76
Add / Less: Other comprehensive income	10.31	6.71	6.46	12.03
Less: Dividend Paid (Including Dividend Distribution Tax)	(544.50)	(1,034.53)	(544.50)	(1,062.18)
Less: Appropriation to Core SGF (Net of Tax)	-	-	(20.99)	(0.51)
Less: Non-Controlling Interest on acquisition of subsidiary	-	-	(0.43)	(0.40)
Less: Issue of bonus shares	-	-	-	-
Balance carried to Balance Sheet	8,119.67	6,866.58	11,586.45	8,572.49
Earnings per share (EPS) Basic and Diluted	36.11	31.52	72.20	38.08

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 ₹ 5,466.05 crores from ₹ 3,229.89 crores in the previous year and the profit after tax stood at ₹ 1,787.28 crores as against ₹ 1,560.46 crores in the previous year.

On a consolidated basis, the total income of the Company increased to ₹ 6,202.33 crores from ₹ 3,897.52 crores in the previous year and the profit after tax stood at ₹ 3,573.42 crores as against ₹ 1,884.78 crores 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 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 are made from time to time. As of March 31, 2021, an amount of ₹ 6,085.04 crores was transferred to a separate bank account.

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 fibre 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 crores, 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 crores 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. The said appeals are pending for final hearing, except for the colocation matter, which has been heard by SAT and is reserved for orders.

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 crore, 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 are pending before SEBI.

NSE is in receipt of SEBI Show Cause Notice dated October 9, 2019 and a Supplementary notice dated December 16, 2019 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 MD and CEO Ms. Chitra Ramakrishna and the sharing of certain internal information pertaining to NSE with an alleged third party by the former MD & CEO. NSE filed a Settlement Application in the matter which has been returned by SEBI vide its letter dated October 27, 2020. Thereafter NSE filed a detailed reply to the show cause notice and the hearing in the matter is yet to commence.

SEBI vide its Order dated August 25, 2020, had levied a penalty of ₹ 50 lakhs on the Company, in relation to the encashment of leaves by former Managing Directors, for the violation of Regulation 27(4) of the SECC Regulations. The Company with the approval of its Board taken at its meeting held on October 5, 2020, has deposited the said amount of penalty.

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 in its subsidiary in certain entities. SEBI vide its order dated October 01, 2020 has levied a penalty of ₹ 6 Crore on NSE. NSE has preferred an appeal against the SEBI order and the Hon'ble SAT has stayed the order. The matter is pending before SAT.
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 has filed its response with SEBI and the matter is yet to be heard.
3. SEBI issued an Adjudication Show Cause Notice dated March 26, 2021 to NSE with respect to STP centralised hub services provided by NSE. Settlement application on the matter was filed with SEBI on April 23, 2021 which is pending disposal by SEBI.

4.2.3 Update on SEBI Letter on CAMS

NSE received a letter dated February 04, 2020 from SEBI, inter alia, stating that it did not seek SEBI's permission for the acquisition of a stake in Computer Age Management Services Limited (CAMS) in 2013, through its wholly owned subsidiary NSE Investments Limited and that it has resulted in the violation of SECC Regulations. In the same letter, SEBI also directed NSE to divest its entire stake in CAMS within a period of 1 year; withdraw its directorship in CAMS and not to exercise voting rights and avail any corporate benefits in respect of the shareholding. Pursuant to the same, NSE had withdrawn its Nominee Directors in CAMS. During the year under review, NSE Investments Ltd (NSEI) sold its entire 37.5% stake in CAMS in their proposed Offer for Sale (OFS) and through pre OFS sales. CAMS successfully completed its OFS and got listed on September 30, 2020. Post the IPO, NSEI no longer holds any stake in CAMS.

4.2.4 NOW platform

NSE offered NOW Platform, a shared CTCL facility, to its members. This platform supported the trading of products in cash, derivatives, currency and commodity markets on NSE and other exchanges. The core software of the NOW platform was licensed from Refinitiv (erstwhile Thomson Reuters). NOW was transferred from NSE Data to NSE with effect from October 01, 2019.

Over the last few years, Exchanges world over have stepped back from providing front-end software and have started publishing APIs for the ecosystem to develop customised solutions that suit each brokerage's needs. In line with this global trend, NSE has started publishing simplified APIs for members / developers to build appropriate solutions for brokerages and it believes it should also step back from providing trading front-ends. Accordingly, in line with global trends and our earlier decision to discontinue NEAT, it was decided to stop providing NOW trading platform to members and SEBI was informed about the same.

Initially, market participants were informed that the NOW platform shall be discontinued with effect from September 14, 2020. However, on account of requests from members to extend the deadline for NOW discontinuation and considering the situation caused by the spread of COVID-19, it was decided to revise the discontinuation date of NOW to December 28, 2020.

The Application Service Provider (ASP) membership of NSE NOW with other Indian Exchanges like MSE, MCX, NCDEX and BSE whose products were supported for trading in NOW, were also terminated with effect from December 28, 2020. Post December 28, 2020, the NOW infrastructure has

been successfully decommissioned from NSE's production network.

4.3 Share Capital

During the year under review, the Issued, Subscribed and Paid-up equity share capital of NSE was ₹ 49.50 crores divided into 49.50 crore 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 law, particularly the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SECC Regulations. The dividend payable depends on a number of 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 position of the Company, uncertainty in the economic conditions and changes in the rate of dividend distribution tax.

Subject to the applicable statutory provisions, NSE intends to have a total dividend payout (including dividend distribution and other taxes, cess, levies, if any relating to the dividend) of around 60% of its consolidated profit, net of tax, for the relevant financial year, subject to the aforementioned factors and such other factors as may be decided by the Board from time to time. The dividend policy is available on the website of NSE.

During the year under review, the Board of Directors at their meeting held on June 25, 2020 recommended the payment of a final dividend of ₹ 11 per equity share (on the face value of ₹ 1/- each) for the year 2019-20. The same was approved by the members at the 28th Annual General Meeting held on September 25, 2020. The final dividend amounted to ₹ 544.50 crores.

It may be noted that, as directed by SEBI, during the year ended March 31, 2021, an amount of ₹ 2,758.07 (including income accrued thereon) was transferred/accrued to/in a separate bank account in relation to the ongoing colocation matter. Accordingly, as on March 31, 2021, the total amount transferred to such separate bank account, including income accrued thereon stood at ₹ 6,046.93 crores (as on March 31, 2020: ₹ 3,288.86 crores). Further, as directed by SEBI, the Company is required to continue to transfer all revenues emanating from its colocation facility to this separate bank

account. As indicated, while the Company's appeal in respect of the colocation matter has been heard by the Hon'ble SAT and the same is reserved for orders, the company has, in the interim, filed an application with Hon'ble SAT to permit NSE to utilise/withdraw the colocation revenue amount transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues emanating from its colocation facility to the separate bank account going forward. Additionally, in view of recent member defaults and subsequent SEBI directives for augmenting the IPFT corpus, during the year under review, the company has also contributed ₹ 1,822.05 crores to NSE IPFT.

In view of the above, the Company does not have sufficient free cash at the current time to pay dividend after providing for operational and business needs. However, in accordance with the Company's dividend policy, the Company is committed to paying dividends to its shareholders and the Board of Directors would take an appropriate decision in this regard once the colocation amount becomes available.

Note: The above paragraph on 'Dividend' should be read in conjunction with the paragraph on 'Recommendation of Dividend' given in the Addendum to the Boards' Report dated June 18, 2021 annexed to this Report.

4.4.2 Unpaid Dividend

Unpaid Dividend balance at the beginning of the year pertained to the dividend payable to Life Insurance Corporation (LIC) withheld under directions from SEBI.

Consequent to LIC's acquisition of controlling stake in IDBI Bank, the shareholding threshold of 49% for Trading Member / Clearing Member / their associates in NSE as required in SECC Regulations 2018, was breached. Hence, SEBI directed LIC to divest its shareholding in NSE so as to reduce the TM/CM shareholding in NSE to 49%. SEBI also directed NSE to freeze LIC's voting rights and all corporate actions in respect of excess holding by LIC till the time the same was divested.

Pursuant to LIC divesting part of its stake in NSE, SEBI vide its letter dated February 08, 2021 advised NSE to unfreeze the voting rights and corporate actions of LIC. Thus, the dividend amount held in abeyance was released to LIC along with accrued interest thereon.

As on March 31, 2021, there was NIL amount lying in the unpaid dividend account of the Company.

4.5 Transfer to Reserves

The Company has not transferred any amount to the Reserves. The entire amount of profits post 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 on 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)

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, Operation 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, operations reviewer and the compliance report issued by an independent practicing company secretary are also presented to the Audit Committee every quarter.

The Statutory Auditors have conducted a review of Internal Financial Controls including Entity Level Controls, IT General Controls, risk control matrix and process walk through on a sample basis as per the guidelines issued by the Institute of Chartered Accountants of India (ICAI).

4.9 Subsidiaries, Joint Ventures and Associate Companies

NSE has 14 (direct and indirect) subsidiaries (13 in India and 1 abroad) as on March 31, 2021.

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).

Report on Performance & Financial position of the Subsidiaries:

The highlights on the performance and financial position of your Company's subsidiaries (included in the consolidated financial statement for FY 2020-21) are as under:

4.9.1 NSE Clearing Limited (NCL)

NCL, wholly owned subsidiary of your Company carries on the business of, inter-alia, clearing and settlement of shares, other securities and instruments traded and regulates and manages dealings in securities and instruments. The paid-up share capital of NCL as on March 31, 2021 stood at ₹ 45 Crs.

During FY 2020-21, NCL earned a net profit after tax of ₹ 210.55 Crs. as compared to net profit after tax of ₹ 213.27 Crs. for the year 2019-20. The Board of NCL has recommended a dividend of ₹10 per equity share of ₹10 each for the year 2020-21. The payment of the dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NCL.

NCL has introduced Interoperability among Clearing Corporations for Cash Market, Equity Derivatives and Currency Derivatives segments. Interoperability among Clearing Corporations allows market participants to consolidate their clearing and settlement functions at a single CCP, irrespective of the Stock Exchange on which the trades are executed. It is expected to lead to an efficient allocation of capital for the market participants, thereby saving on cost as well as provide better execution of trades.

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 ₹11,850.95 crores in 2020-21. The average funds pay-in per settlement was ₹ 3,400.47 crores in 2020-21. The average number of shares processed per settlement was ₹ 6,196.48 lakhs in 2020-21. Short deliveries per settlement averaged around 0.08% in 2020-21. The Core Settlement Guarantee Fund stood at ₹ 363.54 crores as at March 2021.

F&O Segment: The total value of the settlement was ₹ 1,91,534.50 crores in 2020-21. The highest monthly settlement was ₹ 21,905.86 crores in the month of February 2021. March 2021 witnessed the highest monthly trading volumes of ₹ 9,94,01,823.83 crores. The Core Settlement Guarantee Fund for F & O Segment stood at ₹ 2,495.18 crores as at March 2021.

NSE Clearing has implemented physical settlement in the equity derivatives segment. The total value of securities settlement & funds settlement was ₹ 60,565.39 crores & ₹ 28,433.89 crores respectively for the fiscal year 2020-21.

Currency Derivatives segment: The total value of the settlement was ₹ 9,532.97 crores in 2020-21. The highest monthly settlement value was ₹ 1,897.82 crores in the month of April 2020. The highest trading value in Currency Futures on NSE Clearing during this period was ₹ 92,806.56 crores witnessed on February 26, 2021 with a total of 1,22,63,566 contracts being traded and in Currency Options it was ₹ 87,735.72 crores, witnessed on February 26, 2021 with a total of 1,19,70,951 contracts being traded.

The total value of settlement in Interest Rate derivatives was ₹ 466.16 crores in 2020-21. The highest trading volume in Interest Rate Futures during this period was ₹ 2,540.73 crores witnessed on June 25, 2020 with a total of 1,23,392 contracts being traded and in Interest Rate Options it was ₹ 100.60 crores, witnessed on June 02, 2020 with a total of 4,826 contracts being traded.

The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at ₹ 247.40 crores as at March 2021.

Securities Lending and Borrowing segment: NSE Clearing is an Approved Intermediary (AI) for SLBS with SEBI. In 2020-21, the volumes in SLBS increased by 38.83% from ₹ 26,945.70 crores in 2019-20 to ₹ 37,409.96 crores. As compared to the previous year, during 2020-21, securities traded in SLBS increased from 291 to 356. As on March 31, 2021, there were 335 participants, 7 custodian-cum-participants and 4 custodians registered in SLBS.

Mutual Fund Service System (MFSS): As on March 31, 2021, 46 mutual fund houses with 24,405 schemes were enabled under the revised MFSS scheme. The average daily value of funds settled for the subscription of mutual fund units for the financial year 2020-21 was ₹ 25.77 Crores. The average daily value of funds settled for the redemption of mutual fund units for the financial year 2020-21 was ₹ 21.77 crores.

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 FY 2020-21 stands at ₹ 5,199.61 crores, ₹ 2,167.58 crores and ₹ 701.41 crores respectively. The highest settlement value, during this period, of ₹ 20,579.43 crores (across all corporate debt instruments) was recorded on April 28, 2020. During FY 2020-21, NSE Clearing settled 776 repo trades on corporate bonds valued at ₹ 99,625.18 crores.

4.9.2. NSE Investments Limited (NSEI)

NSEI, wholly owned subsidiary of your Company has its main objective to make or hold strategic investments in the equity shares and/or other securities of various group Companies. The paid up share capital of NSEI as on March 31, 2021 stood at ₹ 825.99 crores, comprising of approximately 41.30 crore equity shares of ₹ 10 each and approximately 41.29 crore 6% Non-cumulative Compulsorily Convertible Preference Shares (NCCPS) of ₹ 10 each.

During the year under review, NSEI infused ₹ 136 crores in its wholly owned subsidiary- NSE Academy Limited, in the form of 7% Optionally Convertible Cumulative Preference Shares (OCCPS) of ₹ 10 each. The infusion was to fund the acquisition of a majority stake in TalentSprint Private limited, a deep tech education firm. NSEI also infused ₹ 3.75 crores in Receivables Exchange of India (RXIL) towards the balance payment i.e. first call and second and final call money (equity shares of ₹ 10 each, issued at face value) in October 2020 and January 2021 respectively. Earlier in February 2020, an amount of ₹ 3.75 crores was infused in RXIL towards application money of the payment towards partly paid shares. The stake of NSEI in RXIL is unchanged at 30% post the entire infusion.

During the year under review, further to the communication received from SEBI vide its letter dated 4th February 2020, NSEI divested its entire holding in Computer Age Management System (CAMS) via offer for sale. NSEI received around ₹ 1,826 crores towards the proceeds of stake sale less expenses. Post this stake sale, NSEI no longer holds any stake in CAMS.

During the year under review, NSE Investments acquired 26% in the Indian Gas Exchange Limited (IGX). IGX is India's first automated national level Gas Exchange to promote and sustain an efficient and robust gas market and to foster gas trading in the country. The Exchange features multiple buyers and sellers to trade in spot and forward contracts at designated physical hubs. IGX is promoted by Indian Energy Exchange (IEX).

For the FY 2020-21, NSEI earned revenues of ₹ 2,038.59 Crores as compared to revenues of ₹ 108.91 crores for the previous year. NSEI earned a profit of ₹ 1,796.10 crores as compared to ₹ 124.67 crores for the previous year.

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, 2021 was ₹ 1.30 Crs. comprising 13 lakhs equity shares of ₹ 10 each. NSE Indices 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 ₹ 44,65,068.17 Crs. in FY 2020-21 as compared to a turnover of ₹ 38,79,382.11 Crs. in FY 2019-20, thus registering an increase of 15.1%. The premium Turnover of Nifty 50 Options traded on NSE increased to ₹ 10,60,455.92 Crs. in FY 2020-21 from ₹ 5,20,933.81 Crs. in FY 2019-20, registering an increase of 103.6%. The Nifty Bank Futures traded on NSE recorded a turnover of ₹ 45,73,973.09 Crs. in FY 2020-21 as compared to a turnover of ₹ 27,94,938.44 Crs. in FY 2019-20, thus registering an increase of 63.7%. The premium Turnover of Nifty Bank Options traded on NSE increased to ₹ 15,67,842.81 Crs. in FY 2020-21 from ₹ 5,55,574.46 Crs. in FY 2019-20, registering an increase of 182.2%.

As on March 31, 2021, 35 index funds and 73 ETFs in India were linked to the Nifty indices. The total Assets under Management (AUM) of the ETFs (equity and debt) and Index Funds linked to Nifty indices in India was ₹ 223,180 Crs. as on March 31, 2021 as compared to ₹ 121,522 Crs. as on March 31, 2020. Total size of ETF (equity and debt) market in India has grown by 88% to ₹ 275,575 Crs. as on March 31, 2021 compared to ₹ 146,392 Crs. as on March 31, 2020.

As on March 31, 2021, 12 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 and 1 on Nifty Financial Services 25/50). The total AUM of International ETFs linked to Nifty Indices was USD 1,033 Million as on March 31, 2021 as compared to USD 676 Million as on March 31, 2020.

During FY 2020-21, NSE Indices earned net profit after tax of ₹ 120.50 crores as compared to net profit after tax of ₹ 90.70 crores in FY 2019-20. The Board of NSE Indices recommended a dividend of ₹ 830/- per equity share for FY 2020-21. 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 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 a 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 arbitrator Mr. Justice S.J. Vazifdar (Retd.).

In parallel, NSE & SGX were in discussions for a proposed collaboration in NSE IFSC Ltd. at Gujarat International Finance Tec-City (GIFT) city 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. 22nd September 2020 (i.e. the date of the execution of the Collaboration Agreement).

4.9.4 NSE Infotech Services Limited (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, 2021 stood at ₹ 5 lakhs.

During FY 2020-21, NSE Infotech earned a net profit after tax of ₹ 9.04 lakhs as compared to ₹ 43.97 lakhs during FY 2019-20. The Board of directors, at their meeting held on April 29, 2021, proposed a dividend of ₹ 200/- per equity share for FY 2020-21 out of the reserves as on March 31, 2021. The proposal is subject to the approval of shareholders at the Annual General Meeting.

4.9.5 NSEIT Limited (NSEIT)

NSEIT, a step-down subsidiary of NSE, whose 100% 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, 2021, the issued, subscribed and paid-up share capital of the Company was ₹ 1,10,00,00,100 comprising of 1,00,00,010 equity shares of ₹ 10/- each amounting to ₹ 10,00,00,100 and 1,00,00,000, 7%, Seven Years, Cumulative Redeemable Preference Shares of ₹ 100/- each amounting to ₹ 1,00,00,00,000.

During FY 2020-21, NSEIT earned a net profit after tax of ₹ 22.76 crores as compared to net profit after tax of ₹ 18.34 crores for FY 2019-20. The revenue of NSEIT reduced by 3% to ₹ 272.36 crores in FY 2020-21 as compared to ₹ 281.89 crores in FY 2019-20. The Board of NSEIT recommended a dividend of ₹ 1.50 per equity share and 7% on the Cumulative Redeemable Preference Shares of ₹ 100/- each, for FY 2020-21. 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 FY 2020-21

When the pandemic broke out, NSEIT had two key priorities - the safety & well being of its employees and the business continuity of its customers. NSEIT was awarded the "COVID HR Warrior Award" from Sharp HR Forum, which has the support of about 7,500 patrons from over 2,300 organizations across India. NSEIT was also felicitated with other awards such as the 'Best Remote Employee Engagement during Pandemic' and 'Best Inclusion Program for millennials'.

NSEIT's focus on becoming an increasingly agile, resilient and future-ready company has helped it to overcome the changing business challenges in the disruptive environment. Many new clients have been added to the Company's Software Services business unit despite the initial problems

due to the Covid-19 scenario. These additions have been in line with the strategic direction to move up the value chain by offering end-to-end managed services and adding its services in the niche areas. The Software Services unit won multiyear contracts in the areas of Application Modernization, Data Analytics and Business Transformation Consulting. Some of the notable clients include insurance regulator, large PSU & private banks, an account aggregator, and a leading clearing corporation, amongst others.

During the year, the NSEIT & NASDAQ partnership strengthened with new contracts on collateral management solutions and surveillance system implementations. NSEIT has also commenced a partnership with an international exchange to advise them on setting up their operations in India. NSEIT is also developing India's first information utility platform for NeSL.

Further, NSEIT became the strategic partner for some prestigious organizations for their long term digital transformation roadmap with key initiatives including modernization of the IGMS platform of an Insurance regulator, which is leveraged by 50+ insurers in India. Other niche projects included API based open insurance ecosystem support for a leading Insurance company, financial analytics at a large PSU insurance company, log analytics for a Government agency, business transformation with automation at a large PSU Life insurance company, digital intelligent automation at a leading private bank, new-age auction platform for an agricultural government agency and for defining a platform based foundation with the channel portal program at a leading Non-Banking Financial Company.

The management is focused on transformation and digital strategy that was launched in August 2020. NSEIT intends to bolster its engineering capabilities with a focus in areas related to App Modernization, Cloud, Data Engineering & Business IT Consulting. The focus will be on onboarding the right talent, building capability, nurturing an innovation-centric work environment and creating an inclusive, empowering and balanced work environment.

As the Pandemic unfolded in March 2020, the fear of Covid19 led to organizations and universities closing and postponement of all Entrance and Recruitment exams indefinitely. The DEX (Digital Examination Services) business unit which is heavily dependent on candidates physically coming to test centers to take the exams was impacted with business drying up and prospects unwilling to commit to anything. As things settled into the new normal and NSEIT DEX looked at ways to adapt and continue to be relevant to our clients and the business – DEX decided to venture into new

services like Remote Proctoring, Admission management system etc. which led to collaborations with partners.

A major highlight has been the introduction of Tablet based exams for clients such as UKSSSC and IRDAI which enabled their candidates to take computer based exams in remotely inaccessible locations. This continuous Passion for Excellence, Customer Centricity and Ownership culminated in DEX winning several large orders. NSEIT now has the privilege of working with multiple State Governments for their State recruitment requirements.

4.9.6 NSE Data & Analytics Limited (NSE Data)

NSE Data & Analytics Limited (NSE Data), a 100% step-down subsidiary of NSE, carries on the following businesses:

- Infofeed - Dissemination of NSE's and NSE IFSC's trading data.
- Know Your Customer (KYC) Registration Agency (KRA).
- Managed Service Provider for Central KYC Registry (CKYCR) to Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI).

The paid-up share capital of NSE Data as on March 31, 2021 was ₹ 9 crores comprising of 90 lakh equity shares of ₹ 10 each.

During FY 2020-21, 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 infofeed 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. During the year, the company launched one more analytics product, Real Time Option Greeks & Analytics product. The response to this and the Real Time Market Analytics product, which was launched last year, has been good.

NSE Data also launched independent Fixed Income Valuation services during the year. It 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.

During the year, the company also launched a fixed income analytics platform – FixedIn. NSE FixedIn is an interactive web-based platform – one stop platform for fixed income analytics. NSE FixedIn provides security and portfolio level analytics along with insights into fixed income markets through various modules.

NSE Data is a SEBI registered KYC registration agency (KRA) and commenced its operations on March 06, 2012. As on March 31, 2021, 1,617 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 Registry (CKYCR) initiated by the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). CKYCR is a centralised platform for uniform KYC norms facilitating the 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 operationalise CKYCR.

CKYC Registry went live for individuals on July 15, 2016. The KYC template for individuals underwent a major revision in October, 2020. The revised KYC template for individuals facilitated the upload of legacy records where certain mandatory fields required in the earlier version of the template were not available. KYC template for legal entities was operationalised on CKYCR on April 02, 2021. As on March 31, 2021, 5,010 entities have gone live and have uploaded 35.76 crore KYC records on CKYCR. There has been a surge in the volume of records with 14.40 crore records being uploaded in FY 2020-21 as against 11.20 crore records in FY 2019-20.

During FY 2020-21, NSE Data earned a net profit after tax of ₹ 70.43 crs as compared to net profit after tax of ₹ 54.02 crs in FY 2019-20. The Board of NSE Data recommended a dividend of ₹ 15.50 per equity share for FY 2020-21. 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.

During the year under review,

1) NSE Data acquired 100% equity in Cogencis Information Services Ltd. from Samara Capital I Partners Fund Ltd. and minority shareholders including the company's founder, co-founder, and an employee welfare trust. Cogencis' flagship product is Cogencis Workstation, a real-time market data terminal including real-time financial news. The Cogencis WorkStation provides data on all asset classes including foreign exchange,

fixed income, equities, commodities, as well as macro-economic data, either generated on its own or aggregated through various sources. NSE Data and Cogencis are two complementary businesses. The business of Cogencis adds to the existing offerings of NSE Data by helping it acquire an additional channel to distribute and disseminate market data and analytical products and solutions. In addition, Cogencis has a strong presence in the fixed income and foreign exchange markets and NSE Data has been working on developing the fixed income analytics market including bond valuations.

2) Additionally, during the year under review, NSE Data invested in Capital Quant Solutions Private Ltd. (CQS). CQS is a leading India based technology start-up focused on providing software products using Machine Learning (ML) and Natural Language Proficiency (NLP) that help in extracting and analyzing structured information and building machine learning models for extracting data from complex unstructured financial documents. The investment in CQS is a part of NSE's program for investment in the fields of Analytics, Digital, Robotics, Security, Artificial Intelligence, Machine Learning, Blockchain, etc., where start-ups require early stage financing and incubation to expand and realise their full potential. Through such partnerships with select start-ups, which have demonstrated technological potential, NSE Group aims to further strengthen its technology leadership. NSE is an existing customer for CQS' flagship product, FinStinct. Over time this relationship has grown not just in terms of the size of the engagement but has also grown at a strategic level. CQS offers cognitive automation to various functions and divisions within the exchange.

4.9.7. NSE Academy Limited (NAL)

NSE Academy Ltd. (NAL) is a step down subsidiary of NSE with 100% share capital held by NSEI whose mission is to promote financial literacy as a necessary life skill. NSE Academy's initiatives, include partnerships with state and national school boards and schools, interactive courses on personal finance and certification programs, teaching school children, homemakers and other non-finance professionals the value of investing, providing an introduction to the Indian capital markets and helping to develop new market professionals. The paid-up capital of NAL as on March 31, 2021 stood at ₹ 145 crores comprising of 1,35,00,000 preference shares of ₹ 10 each and 1,00,00,000 equity shares of ₹ 10 each.

Key Initiatives / Developments during FY 2020-21

a. Acquisition of stake in TalentSprint Pvt. Ltd.

NSE Academy Ltd. has acquired a majority stake in deep tech education firm TalentSprint Private Limited. The

company is a leading education technology provider in the professional learning and executive education space and headquartered in Hyderabad. TalentSprint augments NSE Academy's objective to be the leader in the Education segment with the aim of Continuous Life Long Learning right from K12, University to Executive level/Corporate learning, not only in finance skills but also adjacent areas in emerging technology areas such as Artificial Intelligence, Machine Learning, Fintech and Blockchain in the capital market and BFSI domain through online and offline modes.

b. Short courses on NSE Knowledge Hub for users of AICTE NEAT

NSE Academy has been selected to showcase its product namely NSE Knowledge Hub on the AICTE NEAT portal. The MoU signing ceremony was held on February 16, 2021. Vide the arrangement, Short courses on Mutual Funds, Equity, Derivatives, Commercial Banking, Taxation, Accounting, Fintech are specifically made available, to users of AICTE NEAT. The courses have been developed based on need analysis in the education industry with particular reference to financial markets, Banking, Financial Services and Insurance Sector (BFSI) domain.

National Educational Alliance for Technology (NEAT) is a scheme approved by MHRD and All India Council for Technical Education (AICTE) is the implementing agency. Selected education technology solutions would be showcased on the NEAT platform, developed by AICTE, thereby enabling wide outreach among the learners.

c. NSE Knowledge Hub

NSE Knowledge Hub is An AI First and Mobile First Learning Experience platform from NSE Academy. NSE Knowledge Hub, is a unique AI powered learning eco-system to assist Banking, Financial Services and Insurance Sector (BFSI) organisations in enhancing skills for their employees and helping academic institutions in preparing future ready talent skilled for the financial services industry. NSE Knowledge Hub brings world class content closer to learners in a personalised and community learning environment which allows aggregation, curation, creation and targeting of content making it both learner centric and learner driven. NSE Knowledge Hub is powered by Edcast. The formal launch of 'The NSE Knowledge Hub' was held on January 6, 2020 at the hands of Shri Piyush Goyal, Minister of Commerce and Industries, Minister of Railways, Government of India. Since its formal launch, a number of developments have taken place in expanding the reach of NSE Knowledge Hub.

d. Systematic Learning Plan (SLP) – NSE Knowledge Hub

Systematic Learning Plan (SLP) a new feature was introduced in September 2020 under NSE Knowledge Hub.

e. NSE SMART Trading Simulator (NSMART)

NSMART was launched on December 10, 2019. NSMART is a simulated market trading application which reproduces features of a live equity/derivative/currency derivatives market on trading terminals for students to practice and learn trading securities without financial risk. Since its launch, rigorous efforts are being made to reach out to universities, colleges, educational institutions and corporates to introduce NSMART as part of the curriculum and online training programs.

f. TCS iON Industry Honour Certification (IHC) for B.Com students

In January 2019, NSE Academy collaborated with Tata Consultancy Services Limited to offer TCS iON Industry Honour Certification (IHC) for B.Com students. The certification is an outcome linked course designed in collaboration with industry and academic experts, to help students gain application-oriented expertise. TCS iON IHC is aligned with the academic curriculum and integrates theoretical knowledge with industry-relevant application skills, thus making the students job-ready. IHC will enable university students to opt for industry-ready courses in Finance such as Wealth Management, Derivatives, etc. for B.Com students.

g. Online Management Development Program (MDP)

FY 2020-21 saw a surge in online MDPs. Online MDPs were conducted on various topics on Financial Markets.

h. A few Important Collaborations - includes Domestic & International

- IIM Shillong for Professional Executive Programs
- IIT Dhanbad for MDP in Fintech domain
- Deakin University for NSE Knowledge Hub
- Andhra Pradesh State Skill Development Corporation (APSSDC) for Management Development Programs
- GIFT SEZ Ltd. (GIFT City, Gandhinagar) for jointly creating unique certification and regulatory programs for the corporates and organizations operating in IFSC at GIFT City
- RBI Academy for empaneled TalentSprint programs
- LIC Mutual Fund for the training of staff and channel partners

- Yes Securities for self-paced programs on NSE Knowledge Hub
- Axis Securities for Hiring, Training and Deployment of new advisors

During FY 2020-21, NAL incurred a loss of ₹ 5.76 crores as compared to profit (after tax) of ₹ 1.64 crores for FY 2019-20.

During the year under review, NSEI infused ₹ 136 crores in its wholly owned subsidiary- NSE Academy Limited, in the form of 7% Optionally Convertible Cumulative Preference Shares (OCCPS) of ₹ 10 each.

4.9.8. NSE IFSC Limited (NSE IFSC)

NSE IFSC, a wholly owned subsidiary of NSE, commenced operations as a Stock Exchange in GIFT City, 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. Subsequently, SEBI further granted renewal of recognition to NSE IFSC until May 28, 2021. Paid-up capital of NSE IFSC as on March 31, 2021, stood at ₹ 165 crores comprising of ₹ 16.5 crores equity shares of ₹ 10 each.

As on March 31, 2021, NSE IFSC had 50 registered trading members and 40 members enabled for trading with the first IFSC Banking Unit (IBU) becoming a member in this year. NSE IFSC has introduced trading in the following asset classes: 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 2020-21 was USD 70.51 billion. As on March 31, 2021, 22 masala bonds issues of USD 10.5 billion from 4 issuers are listed on the Exchange.

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 and Futures on Gold.

On the regulatory front, the International Financial Services Centres Authority (IFSCA) has been notified as the regulator in the IFSC including 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. NSE IFSC has made an application for further renewal of recognition to IFSCA.

Key Highlights:-

- NSEIFSC and SGX signed a formal agreement to cement the key terms and received further regulatory clarifications from relevant authorities on the implementation of NSE-SGX Connect. The connect will bring together international and GIFT participants to create a bigger liquidity pool for Nifty products in GIFT City. Detailed operational requirements are being worked on with a view to operationalise the connect structure.
- NSEIFSC becomes the first International Exchange in GIFT City to list American Depository Receipts (ADRs) with Dr. Reddy's Laboratories being the first Indian corporate to do a secondary listing of their ADRs at NSEIFSC on 9th December 2020.
- NSEIFSC becomes the first International Exchange in GIFT City to be granted "Part 30" exemption by Commodity Futures Trading Commission (CFTC). This exemption enables NSEIFSC members to trade in derivatives for US clients.
- European Securities and Markets Authority has recognised NSE IFSC as a third-country trading venue for the purpose of transparency under MiFID II/MiFIR by (ESMA), for Bonds and Derivatives. This would facilitate EU investment firms to trade at NSE IFSC for Bonds and Derivatives and reduce the compliance burden on EU investment firms.

For FY 2020-21, NSE IFSC incurred a loss of ₹ 41.32 crores as compared to loss of ₹ 33.71 crores for FY 2019-20.

4.9.9 NSE IFSC Clearing Corporation Limited (NICCL)

NICCL, a step-down subsidiary of NSE, wherein 100% share capital is held by NSE Clearing Limited (NCL) formerly known as National Securities Clearing Corporation Limited (NSCCL), 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.

SEBI further granted renewal of recognition to NICCL until May 28, 2021. The paid-up share capital of NICCL as on March 31, 2021, stood at ₹ 90 crores comprising of 9 crore equity shares of ₹ 10 each.

NICCL clears and settles trades executed on NSE IFSC. 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 are the key link between clearing members and NICCL for funds settlement. Members are required to maintain and operate a clearing account with any one of the designated clearing banks empanelled with the Clearing Corporation. There are currently 5 clearing banks empanelled with NICCL. During FY 2020-21, NICCL incurred a loss of ₹ 9.23 crores as compared to a loss of ₹ 6.40 crores for FY 2019-20.

Initiatives and major events during FY 2020-21:

1. Introduction of Rupee Derivative Contracts at IFSC by NSE IFSC & NICCL.
2. NICCL has opened a depository account with Global Depository Clearstream. Depository account is being used for accepting collaterals and settlement of securities.
3. NICCL has subscribed for SWIFT messaging services. SWIFT services shall be used to interact with Clearstream or with members for movement of securities to and from the NICCL Depository Account.
4. NSE IFSC becomes the first International Exchange in GIFT City to list American Depository Receipts (ADRs), with Dr. Reddy's Laboratories Ltd being the first Indian corporate to do a secondary listing of their ADRs at NSE IFSC. NICCL provides clearing and settlement of ADRs.
5. Acceptance of US Treasury Bills as collateral by NICCL.
6. NICCL has executed an Agreement with the IFSC branch of CDSL for Depository connectivity.
7. IFSC Regulation - IFSC Authority Act 2019 came into effect on October 01, 2020.
8. All the powers that are exercised by RBI, SEBI, IRDA are now exercised by the IFSC Authority.

NICCL has made an application for further renewal of recognition to IFSCA.

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 FY 2020-21, the revenue from operations of NSEIT US was US \$ 523,102 (₹ 389.07 lakhs). The net Loss for the year was US \$ 8,698 (₹ 6.11 Lakhs).

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, 2021 was ₹ 5,00,000 comprising of 50,000 equity shares of ₹ 10 each.

During FY 2020-21, the excess of Income over Expenditure of NSE Foundation was ₹ (39.41) crores as compared to the excess of income over expenditure of ₹ (5.42) crores during FY 2019-20.

The financial results indicate the contribution received and the amount expended for charitable purposes and other administrative expenditures. The balance carried to the Balance Sheet indicates the amount available for future expenditure towards the said purposes against which an amount of ₹ 26.81 crores is already committed.

4.9.12 Aujas Cybersecurity Limited (Aujas) (Formerly known as Aujas Networks Limited) (Formerly known as Aujas Networks Private Limited)

Aujas, a step-down subsidiary, whose 99.29% share capital is held by NSEIT is involved in the business of, inter alia, providing information security consulting and IT risk management services with operations in India, Middle East and North America. The service portfolio includes Information risk advisory, identity & access management, threat management, Cyber Defense & Response and security analytics.

During FY 2020-21, Aujas profit after tax was at ₹ 3.36 crores as compared to a net loss of ₹ 5.65 crores during FY 2019-20. The company profitably grew its revenue by 37% over the previous year and scaled the team to 720 cyber security professionals. Order signings grew over 100% over the previous year while 80% of revenue is annuity business. Cyber Defense & Response (CDR) grew over 100% in revenue terms over the previous year. Aujas Cybersecurity platform revenue grew by 40%, with innovative solutions such as:

- Saksham: enables validation of APIs to join the RBI's account aggregator framework
- Code Sign: Application whitelisting and code signing at scale
- PALM (Platform for access lifecycle management): robotics driven solution for automated application integration with IAM platforms

Aujas also set up CDCs (cyber defense centers) in Bengaluru

and Mumbai. CDCs enabled by the Fusion engine supports advanced services such as offensive security operations, orchestration, and automation.

4.9.13 Talentsprint Private Limited

During the year under review, NSE Academy Ltd., has acquired a majority stake in deep tech education firm TalentSprint Private Limited. TalentSprint Private Limited is a new-age education technology company which is 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 patent-pending, AI-powered, digital learning platform enables a perfect blend of high-end academics and industry-leading practitioner experience. 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 ₹ 40.66 Crs. and total expenditure was ₹ 44.70 Crs. which resulted in a loss before tax of ₹ 4.05 Crs.

4.9.14 Cogencis Information Services Limited

NSE Data acquired 100% equity in Cogencis Information Services Ltd, during the year under review.

Cogencis Information Services Limited is a Mumbai based company, which offers real time financial data and various analytical tools on fixed income, foreign exchange, equities, commodities and macro economy through the terminal and web-based user access (Terminal Business) to banks, asset managers, regulators and corporates, etc. in India.

During the year under review, the total income of Cogencis was ₹ 64.34 Crs. and expenditure of ₹ 43.87 Crs. which resulted in profit before tax of ₹ 20.47 Crs. for the year.

4.9.15 Associate and Joint Venture companies

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, Market Simplified India Ltd, NSDL E-Governance Infrastructure Limited, Power Exchange India Limited (PXIL), Receivables Exchange of India Limited, Capital Quant Solutions and Indian Gas Exchange Limited are associates of NSEI, a wholly owned subsidiary of NSE.

During the year under review, NSEI exited its stake in Goods and Services Tax Network (GSTN) as the Government offered to buy back the entire stake in the Company at face value. NSE Data acquired 17% stake in Capital Quant Solutions Private Limited and NSEI acquired 26% stake in Indian Gas Exchange Limited during the year under review.

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 categorisation 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 operations of controls that defend us from advanced cyber-attacks. Your Company, being notified as a Critical Information Infrastructure organization by the Ministry of Finance, Government of India, has implemented requirements of the National Critical Information Infrastructure Protection Centre (NCIIPC) framework. During the fiscal year, your Company was recertified for ISO 27001:2013, demonstrating a mature cyber security posture in design and effectiveness. The Board had appointed M/s Grant Thornton India LLP as Cyber Security auditors for the period April 2020 to March 2021. During the year under review, no major cyber security incidents or breaches were observed.

During the fiscal year, your Company also undertook various

initiatives to further enhance the risk and cyber security awareness amongst its employees.

4.11.2 NSE Technology

Information Technology has been the backbone of the success of NSE. NSE is a pioneer in technology and ensures the reliability and performance of its systems through our culture of innovation and investment in technology. NSE has regularly upgraded its information technology systems and infrastructure, with the over-arching goal of achieving higher capacity and lower latency, stability and availability, improving market efficiency and transparency, enhancing user access 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. Quarterly, the CTO office keeps reviewing the technology trends in the market, state of technology in the organization, and updates the roadmap. NSE Technology leadership team along with CTOO 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 in NSE is done by the technology team with their technology partners. Vision & Roadmap of technology for NSE is approved by Standing Committee on Technology (SCOT) and the Board.

System Audit

The Board had appointed M/s. Protiviti to conduct the system audit for the period from October 01, 2020 to March 31, 2021.

February 24, 2021 Outage:

NSE's primary data centre is in BKC, a Near Disaster Recovery (NDR) site is maintained in Kurla, and the disaster recovery (DR) site is in Chennai. There is synchronous data replication between NSE's primary site in BKC and NDR site to ensure no data loss in case of a primary site failure, and asynchronous replication to the DR site in Chennai.

Between NSE's primary and NDR sites, NSE has multiple telecom links with two service providers to ensure redundancy. On February 24, 2021 instability was noticed in

links from both service providers primarily due to digging and construction activity along the path between the two sites. The replication to NDR is designed such that in the event of the links between primary and NDR getting cut, the primary continues operations without any direct effect.

However, on February 24th, post link failure, unexpected behaviour was noticed of the Storage Area Network (SAN) system, with the primary SAN becoming inaccessible to the host servers. This resulted in the risk management system of NSE Clearing and other systems such as clearing and settlement, index and surveillance systems becoming unavailable.

While there was no impact on the trading system, given that the risk management system was unavailable, allowing trading to continue on NSE posed an unacceptable risk, and hence trading had to be halted.

The SAN is a fault tolerant system that was designed to function seamlessly even in the event of telecom link failures between primary and NDR copies. Before deployment, the system was tested against various scenarios including link failures and functioned properly. However, on February 24th post link failure, the SAN system at the primary data centre stopped functioning, which was completely unexpected. Subsequent incident analysis showed that the problem was caused by failover logic implemented by the vendor which did not conform to NSE's stated design requirements, coupled with issues in the configuration done by the SAN vendor that triggered the failover logic. We note that the specific failure logic used by the vendor is not documented, was not communicated to NSE, and was not appropriate for NSE's setup. The resultant SAN failure led to the incident on February 24th.

NSE was continuously working on the resolution of the problem and once the same was resolved, NSE made an announcement with respect to re-opening of the markets to its members at 3:17 pm. This communication was done only after there was visibility and clarity on the resumption of services. Market pre-open was done at 03:30 pm. and the market opened successfully at 03:45 pm. Trading hours were extended upto 05:00 pm.

There are various steps that have already been taken and others that are under implementation to address the issues.

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.

4.13 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.

4.14.2 Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditors has 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 28th 2020, a copy of Annual Return for the financial year 2020-2021 will be uploaded on the website of the Company <https://www.nseindia.com/investor->

relations/other-disclosures. Extract of Annual Return in Form MGT – 9 for FY 2020-2021 is attached as Annexure 2.

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

Following developments have taken place on the Human Resources / Employee Relations front in FY 2020-21:

1. Learning and Development (L&D) and Talent Management:

In FY 20-21, major progress was made in L&D and Talent Management. The key initiatives taken under L&D and Talent Management were as follows: -

Learning & Development: FY 20-21 has been a year of significant learning both in terms of adapting to the new normal by moving to a 100% digital medium of learning. Key focus was to re-define the methodology of learning delivery through various platforms and by customizing the learning interventions both in terms of design and content to enhance the learning experience for the participant. We leveraged the opportunity arising out of COVID / lock down by providing best in class learning interventions to drive the skill and capabilities building initiative for employees.

The Learning & Development plan framework was linked to the role and level-based interventions designed basis 3 vital inputs viz. training need identification,

competency framework of NSE and the future skill needs, and behaviors linked to the culture levers. External benchmarking on design principles under the new normal was also factored in for content design and delivery. All the programs were designed keeping in mind the 60:40 principle wherein 60% of learning is targeted to enhance existing skill needs and 40% of learning to develop skills linked to future needs.

With the operating business model moving to Work from Home for FY 20-21 the team adopted the digital platform to deliver 23 Unique programs covering 423 unique employees with 82.90% of the Learning Hours invested in Technical and Functional training and 17.10% of Learning hours in Behavioral trainings.

Functional and Technical Learning: During FY 20 - 21, the company partnered with reputed knowledge partners to offer Product and Technical trainings. Product trainings were done on Basics of Broking, Derivative market and Commodity Derivative Market covering employees from Business Development, Regulatory and Clearing.

Certification programs for functional and technical skills were initiated covering employees across job levels. Certification program on Data Science was initiated in 3 segments viz i) Data Science for Consumers (data literacy), Data Science for Business Users (core data concepts) and Data Science for Technology (skills on coding) covering employees across functions. Certification programs like CCSP-Certified Cloud Security Professional, CCSP-Certified Cloud Security Professional-863, PRINCE2® Agile Foundation and Practitioner for Technology team, CEH (v10)- Certified Ethical Hacker, CISO CISA® - Certified Information Systems Auditor, CISSP - Certified Information Systems Security Professional for Information Security team and Certified Business Analysis Professional (CBAP®), Project Management P® for Trading Operations and Business Solutions Group team and E-discovery and digital forensics for Surveillance team were also conducted.

Behavioral Training: During FY 20-21, learning interventions were done through webinars for longitudinal programs covering 3 broad segments of the workforce viz. Strategic, Tactical and Operational nature of roles.

To drive a culture of self-learning, Knowledge Bytes as an initiative was introduced by providing curated books, articles, white papers, videos, etc. on diverse subjects and topics, that could be consumed at convenience by any employee. The focus of this initiative was to positively engage and enhance a culture of self-learning

across employee segments.

Induction program was conducted for new joiners through a web-based platform.

Learning Marathons: A unique culture building initiative was undertaken for all employees by learning through sharing. Internal and external speakers were invited to share their stories. The Wave 1 had a theme of 'Evolve' spanning over 3 days and 6 speakers with stories around evolving as a professional and their individual journey in the face of challenges had participation from 535 employees. Wave 2 was on the evolution and professional journey of the speaker around Data Science with participation from 206 employees.

Other Initiatives: -

- 1) Identification and integration of Learning Management System.
- 2) Evaluation and identification of eLearning Partner to make available best in class content to employees.

Talent Management and Succession planning - To identify and develop a leadership pipeline for NSE.

As a part of the Talent management framework, a comprehensive and objective process to assess internal resources was completed for the top 3 levels of the organisation hierarchy. A role mapping exercise was done for all the 3 levels to identify critical roles across functions. Based on the assessment of individual role holder's potential, succession pipeline and talent gaps were identified for all roles. Career road map and development framework for potential role holders were finalised through a 70:20:10 principle consisting of a) on the job learning like role enhancement, bridge roles, projects and assignments b) development through customised learning interventions and learning opportunity through external flagship programs and c) post learning actionable.

An organisation structure and design review process was initiated to address future readiness and role enhancement opportunities. New roles were created, and suitable talent was acquired to fill in certain skill gaps and role movements and role enhancements were initiated for internal talent to strengthen the leadership and the succession pipeline.

2. Employee Engagement Initiatives:

Employee Effectiveness Survey was done in FY 2020-21. Based on the survey results, the company will revisit the action planning in discussion with the Management Committee and the Heads of the Departments. Post

finalization of the action plans, the company will work on the implementation.

A flagship Employee Recognition program was implemented in FY2019-20 and the initiatives were continued in FY2020-21. Recognitions have been broadly classified in 2 categories - Individual and Team awards which are bestowed on the employee(s) on a Quarterly / Biannual basis. The objective of the program is to recognise and reward ideas, actions and behaviors that will accelerate NSEIL's journey to continue to be a leader and role model across its functions and businesses. Over and above recognizing functional contributions, the recognition program also recognises demonstrated behaviors of employees on organization culture levers e.g. Ownership & Accountability, Excellence, Customer Service etc.

3. Employee Relations:

Employee relations have been harmonious throughout the period under consideration.

Succession policy

Your Company has formulated a policy on succession planning for the Board and Senior Management Personnel for orderly succession to the Board and the Senior Management.

Mr. Saurov Ghosh is the 'Group Head – HR' 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:

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 provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Key initiatives with respect to Stakeholder relationship, Environment, Sustainability, Health and Safety

Initiatives in Sustainability Space

NSE worked along with Stakeholder Empowerment Services and Cyril Amarchand Mangaldas, law firm to release a report on Environmental, Social and Governance (ESG). It was an attempt to highlight the ESG reporting trends, its status and practices in India Inc, with the intent to initiate a wider discussion and increase the focus of India Inc on ESG matters.

COVID-19

The Coronavirus (COVID-19) 'pandemic' has been an unprecedented global situation that all countries are dealing with in terms of its human and economic consequences. The Government of India and various state governments have taken several measures like creating awareness on wearing of masks and social distancing, lockdown, stricter rules on the movement of people, etc. These steps taken did help to combat the spread and transmission of the virus. However, due to the virus mutating itself and with newer variants, there has been a sudden rise in corona virus cases across the country and resultant devastating second wave of the virus. While fresh restrictions in the movement of people has been imposed by various State Governments, the focus is now more towards vaccination of people in phases, ensuring sufficient health facilities and medical supplies to bring the spread and transmission of the virus under control.

NSE has always been committed in supporting the government in the nation's battle against the pandemic and in providing assistance to alleviate the difficulties faced by the ecosystem due to COVID-19. As a part of its commitment, the NSE group last year had contributed towards PM Cares Fund and certain State Government funds and ensured all necessary compliances for combating the spread of the COVID-19 virus in the country.

NSE continues to take various initiatives to deal with COVID -19, these inter-alia cover: (i) Being classified as essential services, only critical staff (with sufficient redundancies/backups) required to run the Exchange are working onsite and the other staff continue to Work from Home. Further, critical staff who are still to be vaccinated as per age criteria are required to undergo RT-PCR test every fortnight with facilities for testing being arranged by the Exchange (ii) NSE's operating model has inbuilt resiliency in place including a robust technology and security infrastructure to ensure that sufficient controls, checks and balances are in place to ensure market integrity and continuity. Implementation of a zero trust model with multi layered checks and balances ensured

that our cybersecurity controls are robust and our data and processes are secure (iii) Stringent measures have been put in place to ensure the safety of employees on premises like regular sanitization, temperature checks, ban of visitors, employee official travel restrictions, frequent cleaning of office infrastructure, checks to ensure staff are not coming from containment zone, wearing of masks, setting up of isolation room with oximeter and oxygen cylinders, ensuring social distancing, etc. (iv) Covid helpdesk has been created for immediate access and to assist employees and their family members to avail Company's health insurance facilities (v) Reimbursement of cost of vaccination for all employees and their dependent family members as and when eligible. The Exchange is fully compliant with all guidelines by the Ministry of Health and Family Welfare issued from time to time.

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.

Mr. Girish Chandra Chaturvedi [DIN: 00110996], Chairman of the Board, Ms. Anuradha Rao [DIN: 07597195], Mr. K. Narasimha Murthy [DIN: 00023046], Prof. S Sudarshan [DIN: 08636735] and Ms. Mona Bhide [DIN: 05203026] are 'Public Interest Directors' while Mr. Prakash Parthasarathy [DIN: 02011709] and Ms. Sunita Sharma [DIN: 02949529] are 'Shareholder Directors'. Mr. Vikram Limaye [DIN: 00488534] is the Managing Director & CEO of your Company and is included in the category of 'Shareholder Director'.

During the year under review, SEBI vide its letter dated April 21, 2020 approved the nomination of Ms. Mona Bhide (DIN: 05203026) as a Public Interest Director of the Company and the same became effective from that date. Mr. Abhay Havaladar (DIN: 00118280) ceased to be a Shareholder Director w.e.f. September 26, 2020.

The appointment of all the PIDs is for a period of 3 years from their respective effective appointment dates.

In terms of Section 152 of the Companies Act, 2013, Mr. Prakash Parthasarathy retires by rotation at the ensuing AGM. In terms of the SEBI Letter dated February 17, 2020, NSE is advised not to forward the name of Mr. Prakash Parthasarathy for re-appointment to the NSE Board as and when the appointment is due.

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 eform 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 Mr. Vikram Limaye, Managing Director & CEO, Mr. Yatrik Vin, Chief Financial Officer (Group CFO & Head Corporate Affairs) and Mr. Rohit Gupte, Company Secretary.

During the year under review, Mr. S. Madhavan, Company Secretary, retired with effect from November 30, 2020. Mr. Rohit Gupte was appointed as Company Secretary with effect from December 01, 2020.

Pursuant to SECC Regulations, the Key Management Personnel of your Company as of March 31, 2021 are Mr. Vikram Limaye, Managing Director & CEO, Mr. J. Ravichandran - Group President*, Mr. Yatrik Vin - Group CFO & Head Corporate Affairs, Mr. Rohit Gupte - Company Secretary, Mr. Vasudev Rao - Group General Counsel, Mr. Ravi Varanasi - Chief Business Development Officer, Mr. G. M. Shenoy - Chief Technology Officer, Mr. Shiv Kumar Bhasin - Chief Technology & Operations Officer, Ms. Priya Subbaraman - Chief Regulatory Officer, Mr. K. S. Somasundaram - Chief Enterprise Risk and Information Security Officer, Mr. Mayur Sindhawad - Senior Vice President, Mr. Avishkar Naik - Head, Listing Compliance, Mr. Saurov Ghosh - Group Head - Human Resource, Mr. M. Sheshadri - Head - Cyber Security & Information Security, Mr. Mukesh Agarwal - Managing Director - NSE Data & Analytics Limited and NSE Indices Limited, Mr. Vikram Kothari - Managing Director - NSE Clearing Limited, Mr. Muralidaran - Managing Director & CEO - NSE IT Limited, Mr. Dinesh Soni - SVP - Regulatory, Mr. Hari K - Chief Business Officer, Ms. Nisha Subhash - SVP - Regulatory, Ms. Yukti Sharma, Head Listing Approvals and Ms. Renu Bhandari - Head Inspection.

*Mr. J. Ravichandran who has been with NSE since 1994 superannuated at end of business hours on March 31, 2021 on attaining the age of 60 years as per NSE's superannuation policy.

Subsequent to the year under review, Mr. Arvind Goyal was designated as Head - Trading Operations and will be treated as Key Management Personnel under SECC Regulations, 2018.

7.2 Board and Committees

Seven 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.

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.

Re-constitution of various SEBI mandated committees

During the year, certain Mandatory / Statutory Committees were reconstituted pursuant to changes in the composition of the Governing Board and to be in line with the regulatory requirements. Accordingly, in terms of SECC Regulations, 2018, Companies Act, 2013 and SEBI (LODR), 2015, the Committees have been appropriately re-constituted:

- a) Functional Committees:
 - i) Member and Core Settlement Guarantee Fund Committee (MCSGFC)
- b) Oversight committees:
 - i) Regulatory Oversight Committee
 - ii) 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 Committees

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 Mr. Girish Chandra Chaturvedi, Ms. Anuradha Rao, Mr. K. Narasimha Murthy, Prof. S. Sudarshan and Ms. Mona Bhide 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 - 3 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 and https://archives.nseindia.com/global/content/about_us/Remuneration_Policy.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 and Individual Directors as of year ended March 31, 2021. 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, 2021 comprised of Mr. Girish Chandra Chaturvedi, Chairman (ID), Mr. Vikram Limaye, MD & CEO, Ms. Anuradha Rao (ID), Mr. K. Narasimha Murthy (ID), Prof. S. Sudarshan (ID), Ms. Mona Bhide (ID), Mr. Prakash Parthasarathy and Ms. Sunita Sharma.

The Performance evaluation criteria of the Board, its

Committees, Individual Directors, the Chairperson and PID is attached herewith as Annexure-4 and is available on your Company's website www.nseindia.com.

The criteria for performance evaluation of the Board included aspects like Board composition, shared 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 held on May 10, 2021. 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 May 11, 2021.

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 FY i.e., March 31, 2021 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

NSE is covered under the purview of Section 135 of the Companies Act 2013. Similarly, many of its subsidiaries are also covered. A common CSR policy was adopted by NSE and its subsidiaries to avoid duplication of functions and enable the scaling up of activities.

During FY 2020-21, ₹ 32,97,21,530/- was required to be spent towards the Corporate Social Responsibility obligation of the Company in the manner laid down in sub-section (5) of section 135 of the Companies Act 2013. NSE contributed an amount of ₹ 20,00,00,000/- towards the PM CARES Fund (₹ 10,00,00,000/- in FY 2019-2020 and ₹ 10,00,00,000/- in FY 2020-2021) and the balance obligation of ₹ 12,97,21,530/- was transferred to NSE Foundation (Sec 8 company incorporated to fulfil the CSR obligation of the NSE Group of companies) to be spent on approved CSR projects. NSE Foundation confirmed having spent the entire amount of ₹ 12,97,21,530/- towards the approved CSR projects.

The CSR policy is available on your Company's website 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-5.

9. CORPORATE GOVERNANCE

Disclosure pertaining to resources committed towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements, backed by an activity based accounting and applicable to the recognised stock exchange, forming part of this report, is as under:

The Company has dedicated resources to manage the regulatory / compliance functions i.e. Membership compliance, Inspection, Enforcement, Surveillance, Investigation, Investor services (including grievance redressal, arbitration and defaulter proceedings) and functions relating to listing of companies and their compliance with prescribed requirements. There are 258 resources in these functions in various designations.

Inspection and Enforcement

Effective supervision over the members of the Exchange is one of the regulatory objectives of the Exchange. During the year, more than 350 inspections have been conducted. Further, in order to strengthen the offsite supervision of

members, number of initiatives were taken during FY 2020-21, some of them are:

- To monitor the availability of client funds with the members on an aggregate basis, client wise cash and cash equivalent balance reporting by members has been introduced. For the purpose of ease of monitoring, authorizations have been obtained from members for taking the bank statements directly from banks and client bank accounts have been restricted to 30.
- Pursuant to the standardization of various formats of reporting by members, Exchange has started disseminating information to investors about funds and securities balances submitted by members to the exchange on a weekly basis instead of monthly. Additionally, members are required to send weekly statement of accounts to clients to facilitate them to compare these with the balances received from the Exchange.
- In consultation with Exchanges and Depositories, margin pledge and repledge mechanism has been introduced by SEBI and use of Powers of Attorney (POA) has been restricted.
- During FY Exchange enhanced the capabilities significantly to generate alerts and take swift and timely action against the members. To detect misuse of client assets, various online systems have been developed for monitoring of client margin collection by members, availability of creditors funds with the members, running account settlement of clients across all Exchanges etc.
- The Exchange initiated mystery shopping on a pilot basis to identify assured return schemes run by intermediaries.

The disciplinary jurisdiction over the Trading Members registered with the Exchange is with the Member and Core Settlement Guarantee Fund Committee (MCSGFC). All the enforcement actions that are initiated by the Exchange are subsequently placed before the MCSGFC for adjudication and orders. The MCSGFC, following the principles of natural justice, decides on case to case basis, all the charges against the Trading Member and levies monetary and non-monetary penalty which includes disablement of trading terminals, suspension of members and declaration of defaulter/expulsion. The decisions of the MCSGFC can be appealed before the Securities Appellate Tribunal.

The Central Enforcement Team has issued around 100 SCNs during the year and placed about 550 cases before the MCSGFC. The Committee has imposed a monetary penalty of approximately ₹ 7.75 crores, ordered disablement of Trading Terminals in 14 cases and has, in the interest of investors also declared 12 Members as defaulters and have expelled them from the Membership of the Exchange thereby paving the way for initiation of the process for settlement of investor claims.

As regards compulsory delisting of companies, the Exchange has delisted 21 companies that were suspended for a period of 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.

A report on corporate governance for FY 2020-21 is furnished as part of the Annual Report as Annexure-6. The certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations is obtained.

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 introduction of the Integrated Report (IR) for the first time from the year 2019-2020. 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 2020 - 2021 is presented in a separate section, forming part of the Annual Report and also hosted on the Company's website at www.nseindia.com.

11. BUSINESS RESPONSIBILITY 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 Report ('BRR') to its stakeholders in the prescribed format.

As stipulated under the Listing Regulations, the Business Responsibility Report (BRR), 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.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report in respect of NSE's financials for the year ended March 31, 2021 is presented in a separate section forming part of the Annual Report.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

NSE has put in place a “Whistle Blower Policy” as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. This Whistle Blower Policy deals with complaints (“protected disclosures”) such as financial or operational mismanagement/irregularities, preferential treatment to certain stakeholders, conflict of interest, violation of legal or regulatory provisions, etc., or in respect of Employee misconduct such as bribery and corruption, management instances of unethical behavior, actual or suspected fraud or violation of the Code of Ethics of NSE.

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 Regulatory Oversight Committee of NSEIL, by writing at “ChairmanROC@nse.co.in” in case of an Employee and to the Managing Director (“MD”) in case the complaint is against the Company. There was no instance of denial of access to the Committee.

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 Regulatory Oversight 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 the relevant authority to conclude that an improper or unethical act has been committed, the relevant authority shall recommend to the management of the Company 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>.

During the year under review, the Annual Review of the Vigil Mechanism /Whistle Blower Policy was carried out.

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 24th Annual General Meeting, i.e., September 16, 2016 till the conclusion of 29th 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, 2021.

The Board at its meeting held on February 05, 2021 approved the reappointment of M/s. Price Waterhouse & Co, Chartered Accountants, LLP, (ICAI Registration No.304026E/ E300009) for another term of 5 (five) years, subject to the approval of the Members of the Company, from the conclusion of the 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting. The Board at its meeting held on May 11, 2021 also noted the eligibility certificate of M/s. Price Waterhouse & Co. Chartered Accountants LLP, that they are eligible to continue to act as the statutory auditor of the Company for FY 2021-22 as required under Section 139 of the Companies Act, 2013.

The Statutory Auditors’ Report for FY 2020-21 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 BNP & Associates, Company Secretaries, to conduct the Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for FY ended March 31, 2021. The Report of the Secretarial Audit is annexed herewith as Annexure 7. The Secretarial Audit Report does not contain any qualifications, reservation, adverse remarks or disclaimer.

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.

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 UNAUDITED SUB 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.

Nevertheless, NSE has engaged M/s. Khandelwal Jain & Co., Chartered Accountants to review the sub segments on

a quarterly basis for Capital Market (CM), F&O, Currency Derivatives (CD) and Wholesale Debt Market segments and have issued the unaudited sub segment report along with the limited review report.

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:

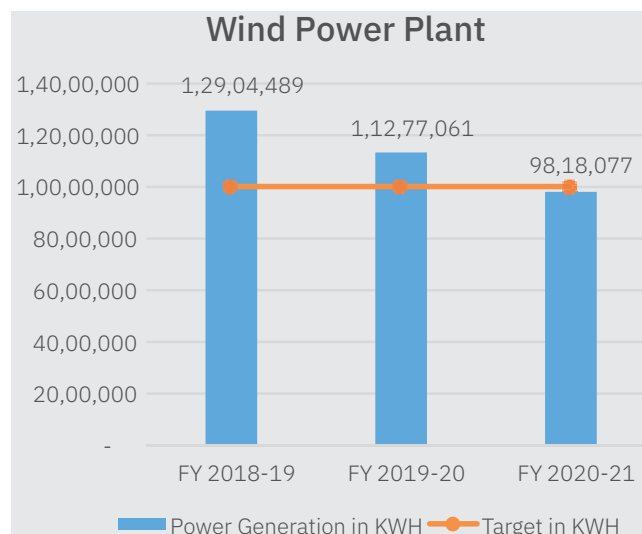
NSE has taken several initiatives towards energy conservation, green / renewable energy which demonstrates the commitment towards the sustainable development and a clean environment.

1) Green Power Generation:

i) Wind Power Plant:

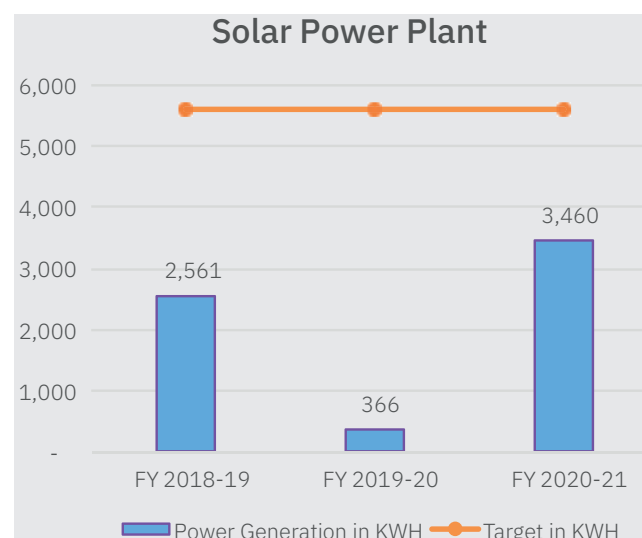
NSE has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW of Wind Mills) Wind Power Plant at Satara in Maharashtra in the year 2014. In Wind Power Plant, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of 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 the Government 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 98,18,077 electricity units in FY 2020-21.



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 a part of the lighting load at Exchange Plaza. This way NSE has saved around 3,460 units in FY 2020-21.

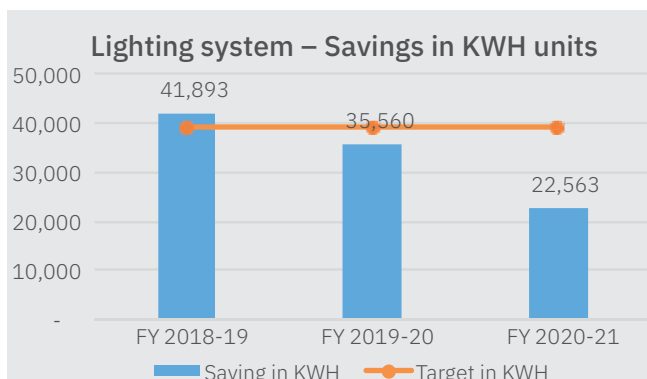


2. Energy Conservation:

i) Lighting Transformer and LED Lights:

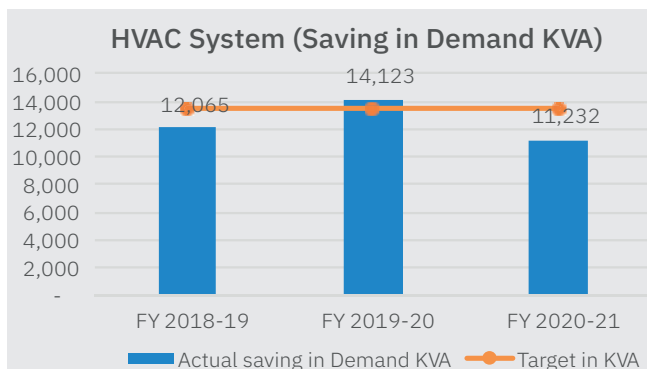
Lighting Transformers have been introduced in the lighting feeders to regulate incoming power supply which reduces excess power consumption and enhances the life of the luminaries. Additionally, LED Lights have been introduced across the entire Office area. These measures

have saved around 22,563 units in FY 2020-21.



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 equipment 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 11,232 Demand KVA in FY 2020-21.



iii) Occupancy Sensors:

Motion/Occupancy Sensors have been installed in 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 the 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.

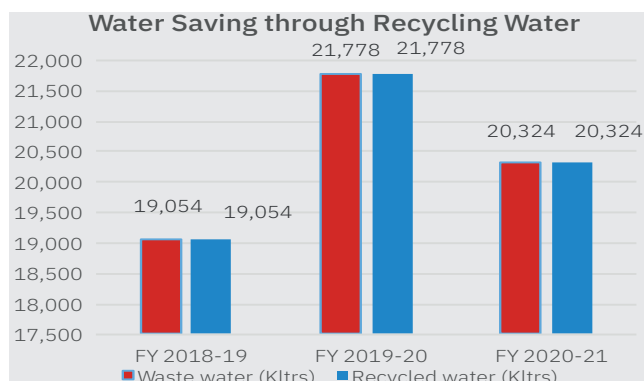
v) Automatic Power Factor Control Units:

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:

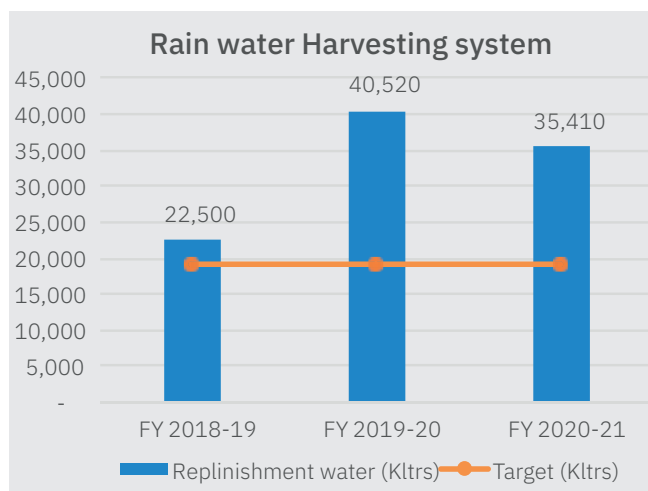
i) Water Recycling - Sewerage Treatment Plant:

This plant has been installed at the inception stage itself to enable NSE to reuse the 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 20,324 Kilolitres of Water in FY 2020-21.



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 rain water in the periphery of Exchange Plaza. Accordingly, post survey and feasibility, Rain Water 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 the Vermiculture plant for the decomposing process. Post 7 days of an on-going process, vermicompost / manure gets generated which is being used for Gardening purposes. This way NSE has generated around 360 Kg of manure in FY 2020-21.

Waste Disposal

The Company believes in reduce, recycle and reuse and manages its waste efficiently through various initiatives such as the 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 ₹ 58.18 crores.

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-8. 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-9.

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. The Directors regret the loss of life due to the COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. Your Directors appreciate and value the contribution made by every employee of NSE.

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi

Chairman

Date: May 11, 2021

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 arrangement 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 arms' 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 11, 2021

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%

(b) Details of transactions (including service tax / GST as levied) with related parties are as follows :

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Clearing Limited	Usage charges received	26.73	21.70
	Usage charges paid for interoperability	1.66	1.66
	Space and Infrastructure usage charges received	5.48	5.29
	Recovery of Electronic Bidding Platform income	0.62	-
	Reimbursement received for expenses on staff on deputation	12.32	11.66
	Reimbursement received for other expenses incurred	46.29	39.67
	Reimbursement paid for CAMS Charges	0.32	0.38
	Dividend received	90.00	81.00
	Clearing and Settlement charges paid	310.74	200.87
	Closing balance (Credit)/Debit	(20.71)	(0.07)

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi

Chairman

DIN: 00110996

Date: May 11, 2021

ANNEXURE 2 TO BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on FY ended on March 31, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	U67120MH1992PLC069769
ii	Registration Date	27th November, 1992
iii	Name of the Company	National Stock Exchange of India Limited
iv	Category/Sub-category of the Company	Limited by shares/Indian Non-Govt. Co.
v	Address of the Registered office and contact details	Exchange Plaza, Plot C-1, Block 'G' Bandra-Kurla Complex, Bandra (East), Mumbai-400 051 022-2659 8222 (tel.) 022-2659 8198 (Fax)
vi	Whether listed company (Yes/No)	No
vii	Name, Address & Contact details of Registrar & Transfer Agent, if any	Link Intime India Pvt. Ltd. C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083 Tel. No. + 91-22 49186000 and Fax No. +91-22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business activities contributing 10% or more of the total turnover of the company are:-

Sr. No	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Recognised stock exchange providing financial market operational services	9,971	88.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NSE Clearing Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67120MH1995PLC092283	Subsidiary Company	100%	2(87) (ii)
2	NSE Investments Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U65999MH2013PLC240078	Subsidiary Company	100%	2(87) (ii)
3	NSE Indices Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U73100MH1998PLC114976	Subsidiary Company	100%	2(87) (ii)

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	NSEIT Limited Ground floor, Trade Globe, Sir M V Road, Andheri Kurla Road, Andheri East Mumbai- 400059	U72200MH1999PLC122456	Subsidiary Company	100%	2(87) (ii)
5	NSE Data & Analytics Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U72900MH2000PLC126952	Subsidiary Company	100%	2(87) (ii)
6	NSE Infotech Services Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U72900MH2006PLC163468	Subsidiary Company	100%	2(87) (ii)
7	Market Simplified India Ltd. 13th Floor, Zenith Building, ASCENDAS International Tech Park, CSIR Road, Taramani, Chennai-600113	U72900TN2000PLC045869	Associate	30%	2(6)
8	NSDL E-Governance Infrastructure Ltd. 1st Floor, Times Tower, Kamala Mills Compound, Lower Parel, Mumbai-400013	U72900MH1995PLC095642	Associate	25.05%	2(6)
9	Power Exchange India Ltd. Unit No.901, 9th floor, Sumer Plaza, Marol Maroshi, Andheri East, Mumbai 400059	U74900MH2008PLC179152	Associate	34.21%	2(6)
10	National Securities Depository Limited 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai Mumbai-400013	U74120MH2012PLC230380	Associate	24.00%	2(6)
11	Receivables Exchange of India Limited Trade Centre (Vatika Business Centre), First Floor (Unit No.2), Office No.14, BKC, Bandra (East) Mumbai - 400051	U67190MH2016PLC273522	Associate	30.00%	2(6)
12	BFSI Sector Skill Council of India 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400001	U80904MH2011NPL222074	Associate	49.00%	2(6)
13	NSE Academy Limited Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai - 400051	U67190MH2016PLC274239	Subsidiary Company	100%	2(87) (ii)

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
14	NSEIT (US), Inc. 2010 Crow Canyon Place, Suit 107, San Ramon CA 94583	---	Subsidiary Company	100%	2(87) (ii)
15	NSE IFSC Ltd. Unit-1201, Brigade International Financial Centre 12th Floor, Block-14, Road 1C, Zone-1, Gift SEZ, Gift City, Gandhinagar, Gujarat - 382355	U65100GJ2016PLC094517	Subsidiary Company	100%	2(87) (ii)
16	NSE IFSC Clearing Corporation Ltd. Unit-1202, Brigade International Financial Centre 12th Floor, Block-14, Road 1C, Zone-1, GIFT SEZ, GIFT CITY, Gandhinagar, Gujarat- 382355	U65990GJ2016PLC094545	Subsidiary Company	100%	2(87) (ii)
17	NSE Foundation Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra East Mumbai – 400051	U74999MH2018NPL305854	Subsidiary Company	100%	2(87) (ii)
18	Aujas Cybersecurity Limited No.595, 4th Floor, 15th Cross, 1st Phase, Outer Ring Road, J P Nagar, Bangalore - 560078	U72200KA2008PTC045218	Subsidiary Company	99.29%	2(87) (ii)
19	Talentsprint Private Limited PSR Prime Towers, Suite No G02, 101 & 102 Sy No126(P), Beside DLF Cyber City, Gachibowli, Hyderabad Rangareddi TG 500032	U80902TG2008PTC062284	Subsidiary Company	70%	2(87) (ii)
20	Cogencis Information Services Limited Ashok Silk Mills Compound, 202, L.B.S. Marg, Ghatkopar West, Mumbai 400086	U92120MH2006PLC164692	Subsidiary Company	100%	2(87) (ii)
21	Indian Gas Exchange Limited First Floor, Unit No. 1.14(b), Avanta Business Centre, Southern Park, D-2, District Centre, Saket, New Delhi – 110017	U74999DL2019PLC357145	Associate	26%	2(87) (ii)
22	Capital Quant Solutions Private Limited# F-6-D Saket, New Delhi South Delhi – 110017	U72300DL2013PTC254553	Associate	17%	2(87) (ii)

Considered as an associate by virtue of exercising substantial power on the Board of the Company through SPA/SHA.

iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

SN	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.

iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters And Holders Of GDRs And ADRs):

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/ bonus/sweat equity)			Cumulative shareholding during the year (01-04-20 to 31-03-2021)	
		No. of shares at the beginning (01-04-20)	% of total shares of the company	Date	Increase (I)/ Decrease(D) in shareholding	Reason	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	6,19,13,500	12.51	-	-	-	6,19,13,500	12.51
				13-01-2021	30,07,000 (D)	Sale of Shares	5,89,06,500	11.90
				22-01-2021	5,59,500 (D)	Sale of Shares	5,83,47,000	11.79
				23-01-2021	43,27,000 (D)	Sale of Shares	5,40,20,000	10.91
				02-02-2021	4,85,000(D)	Sale of Shares	5,35,35,000	10.82
				04-02-2021	2,80,000 (D)	Sale of Shares	5,32,55,000	10.76
				11-03-2021	2,00,000 (D)	Sale of Shares	5,30,55,000	10.71
2 (a)	Aranda Investments (Mauritius) PTE. Ltd	2,47,50,000	5.00	-	-	-	2,47,50,000	5.00
2(b)	Veracity Investments Limited, Mauritius	2,47,50,000	5.00	-	-	-	2,47,50,000	5.00
				13-01-2021	52,91,000 (D)	Sale of Shares	1,94,59,000	3.93
3	Stock Holding Corporation of India Limited	2,20,00,000	4.44	-	-	-	2,20,00,000	4.44
4(a)	SBI Capital Markets Ltd.	2,14,50,000	4.33	-	-	-	2,14,50,000	4.33
4(b)	GAGIL FDI Limited	1,87,52,382	3.79	-	-	-	1,87,52,382	3.79
				28-09-2020	18,00,000 (D)	Sale of Shares	1,69,52,382	3.42
				01-10-2020	22,50,000 (D)	Sale of Shares	1,47,02,382	2.97
				07-10-2020	75,68,382 (D)	Sale of Shares	71,34,000	1.44
				27-10-2020	41,34,000 (D)	Sale of Shares	30,00,000	0.61
				30-11-2020	30,00,000 (D)	Sale of Shares	0	
5	State Bank of India	1,79,69,410	3.63	-	-	-	1,79,69,410	3.63
				12-05-2020	6,00,000(D)	Sale of Shares	1,73,69,410	3.51
				27-05-2020	11,00,000(D)	Sale of Shares	1,62,63,410	3.29
				12-06-2020	3,00,000 (D)	Sale of Shares	1,59,69,410	3.22

SN	Name	Shareholding at the beginning of the year		Date-wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (eg. Allotment/transfer/ bonus/sweat equity)			Cumulative shareholding during the year (01-04-20 to 31-03-2021)	
		No. of shares at the beginning (01-04-20)	% of total shares of the company	Date	Increase (I)/ Decrease(D) in shareholding	Reason	No. of shares	% of total shares of the company
6	SAIF II SE Investments Mauritius Limited, Mauritius	1,75,90,000	3.55	-	-	-	1,75,90,000	3.55
				11-02-2021	2,00,000 (D)	Sale of Shares	1,73,90,000	3.51
				03-03-2021	9,65,000 (D)	Sale of Shares	1,64,25,000	3.31
				10-03-2021	5,35,000 (D)	Sale of Shares	1,58,90,000	3.21
7(a)	GS Strategic Investments Limited, Mauritius	1,48,50,000	3.00	-	-	-	1,48,50,000	3.00
				30-11-2020	24,75,000 (D)	Sale of Shares	1,23,75,000	2.50
				22-12-2020	24,75,000 (D)	Sale of Shares	99,00,000	2.00
7(b)	MS Strategic (Mauritius) Limited	1,48,50,000	3.00	-	-	-	1,48,50,000	3.00
				30-11-2020	9,00,000(D)	Sale of Shares	1,39,50,000	2.81
7(c)	PI Opportunity Fund	1,48,50,000	3.00	-	-	-	1,48,50,000	3.00
8	Acacia Banyan Partners	1,23,75,000	2.50	-	-	-	1,23,75,000	2.50
9	Tiger Global Five Holdings	1,13,50,000	2.29				1,13,50,000	2.29
				30-06-2020	47,50,000(D)	Sale of Shares	66,00,000	1.33
10	Crown Capital Limited	84,50,000	1.71	-	-	-	84,50,000	1.71
				27-10-2020	41,34,000(I)	Purchase of shares	1,25,84,000	2.54

Shareholding of the Directors and Key Managerial Personnel:

SN	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	N.A.	N.A.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payments- Nil

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY				
i) Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A
Change in Indebtedness during FY				
* Addition	N.A	N.A	N.A	N.A
* Reduction	N.A	N.A	N.A	N.A
Net Change	N.A	N.A	N.A	N.A
Indebtedness at the end of FY				
i) Principal Amount	N.A	N.A	N.A	N.A
ii) Interest due but not paid	N.A	N.A	N.A	N.A
iii) Interest accrued but not due	N.A	N.A	N.A	N.A
Total (i+ii+iii)	N.A	N.A	N.A	N.A

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No	Particulars of Remuneration	Managing Director & CEO Mr. Vikram Limaye (₹ in Crores)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others, please specify (contribution to PF and other fund. Exempted allowances, tax paid by employer, withheld variable pay)	0.28
	Total (A)	10.22

B. Remuneration to other directors:

SN	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Mr. Girish Chandra Chaturvedi	Ms. Anuradha Rao	Mr. K Narasimha Murthy	Prof. S Sudarshan	Ms. Mona Bhide[#]	
	Fee for attending Board and Committee meetings	25,00,000	37,75,000	30,75,000	27,75,000	38,50,000	
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	25,00,000	37,75,000	30,75,000	27,75,000	38,50,000	1,59,75,000
2	Other Non-Executive Directors	Ms. Sunita Sharma	Mr. Prakash Parthasarathy	Mr. Abhay Havaladar^{##}			
	Fee for attending board, committee meetings	18,25,000	15,25,000	7,50,000			
	Commission	-	-	-			
	Others, please specify	-	-	-			
	Total (2)	18,25,000	15,25,000	7,50,000			41,00,000
	Total (B)=(1+2)						2,00,75,000
3	Total Managerial Remuneration						2,00,75,000
	Overall Ceiling as per the Companies Act, 2013: Sitting Fees	₹ 1 lakh per Director per meeting					

[#] Ms. Mona Bhide was appointed as Public Interest Director with effect from April 21, 2020.

^{##} Mr. Abhay Havaladar (Shareholder Director) retired w.e.f. 26th September, 2020.

C. Remuneration to Key Managerial Personnel (Other Than MD/Manager/WTD)

SN	Particulars of Remuneration	Key Managerial Personnel (₹ in Crores)			
		Mr. Yatrik Vin (CFO)	Mr. S Madhavan (CS) *	Mr. Rohit Gupte (CS)**	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.72	0.87	0.35	3.94
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.41	0.00	0.00	0.41
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as % of profit	-	-	-	
	- others, specify...	-	-	-	
5	Others, please specify (contribution to Provident Fund and other Fund, exempted allowances, Tax paid by employer, withheld variable pay)	0.16	0.02	0.01	0.19
	Total	3.29	0.89	0.36	4.54

* Mr. S Madhavan retired from the post of Company Secretary w.e.f. November 30, 2020

** Mr. Rohit Gupte was appointed as Company Secretary w.e.f. December 01, 2020

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			--NIL--		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			--NIL--		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			--NIL--		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
 Chairman

DIN: 00110996

Date: May 11, 2021

ANNEXURE 3 TO BOARD'S REPORT

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Policy for Nomination and Appointment of Directors 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), 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. Regulation 27 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations) also mandates constitution of NRC to inter alia determine the compensation of key management personnel in terms of compensation policy framed in accordance with the norms specified therein.

2. Objective

The Company aims to achieve a balance of merit, experience and skills amongst its Directors and Senior Management Personnel. The objectives of this Policy are:

- (a) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- (b) recommend to the Board a policy relating to the remuneration for the directors, senior management (including key managerial personnel) and other employees;
- (c) determine the composition of the Board of Directors and the sub-committees of the Board and addressing issues of Board diversity; devising a policy on diversity of Board of Directors;
- (d) ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness;
- (e) identify persons who are qualified to become directors;
- (f) recommend to the Board appointment and removal of Directors in accordance with policy and criteria laid down;
- (g) Formulation of criteria for evaluation of performance for Independent Directors and Board of Directors;
- (h) recommend on the extension or continuation of the term of appointment of independent director on the basis of performance evaluation of independent directors;
- (i) decide on the Annual Performance Linked Pay (variable pay) payable to Managing Director & CEO and to approve annual increase in the Total Pay payable to Managing Director & CEO;
- (j) assist the Board's overall responsibility relating to executive compensation and recommend to the Board appropriate compensation packages for Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain best available personnel for position of substantial responsibility with the Company;
- (k) lay down criteria for personnel who may be appointed in Senior Management;
- (l) identify persons who may be appointed in Senior Management in accordance with the Policy and criteria laid down;
- (m) recommend to the Board appointment and removal of personnel in Senior Management in accordance with Policy and criteria laid down;
- (n) recommend to the board, all remuneration, in whatever form, payable to senior management
- (o) approve release of variable pay of KMPs under SEBI Regulations withheld earlier;
- (p) to approve Variable Pay and Fixed Pay of KMPs under SEBI Regulations;
- (q) review, approve and aid the Board in succession and emergency preparedness plan for key executives;
- (r) determine the tenure of KMPs under SEBI Regulations appointed in Regulatory departments;

- (s) specify the manner for effective evaluation of performance of Board, its committees and individual directors to 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.
- (t) Identifying Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018
- (u) Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.
- (v) Determining the compensation of KMPs in terms of the compensation policy.
- (w) Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department.
- (x) Selecting the Managing Director.
- (y) Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
- (z) Recommending whether to extend the term of appointment of the PID.
- (aa) 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.

3. Definitions

- i. "Board of Directors" or "Board" shall mean the collective body of directors of NSE;
- ii. "Director" means a director appointed to the Board of NSE;
- iii. "Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and listing Regulations.
- iv. "Key Managerial Personnel / Key Management Persons" means as defined under Section 2(51) of the Companies Act, 2013 and/or as per regulation 2(j) of SCR (SECC), Regulation, 2018.
- v. "Public Interest Director" means an independent director as defined under SCR (SECC) Regulations, 2018.
- vi. "Shareholder Director" means a non- executive director as defined under SCR (SECC) Regulations, 2018;
- 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. "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.
- ix. "Policy" means this "Nomination Policy."
- 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. Positive Attributes and qualifications of Directors

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 effectiveness of the organization as 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. 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 other 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 priority basis;
- xi. Does not hold Directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India or such other number of companies as may be prescribed from time to time;
- xii. Has attained minimum age of 25 years and is not older than 75 years or such other age as may be prescribed from time to time; Provided that appointment of a person who has attained the age of seventy five 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. Under SECC Regulations, the maximum age limit of MD is 65 years.
- xiii. 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;

6. Composition of Board Under SECC Regulations

The Committee shall take into account the following while deciding the composition of the Board and its size:-

The Board of NSE shall include:

- a. Shareholders Directors
- b. Public interest Directors; and,
- c. Managing Director.

The Board from time to time keeping in mind the corporate structure, may frame guidelines governing the composition of Board which shall inter-alia be subject to the following:-

- 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 appointment and tenure of Shareholder Director would be governed by the applicable provisions of the Companies Act and shall be with the prior approval of SEBI.
- 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.
- Person who is a director in an entity, that itself is a trading member or clearing member or has associate(s) as trading member(s) or clearing member(s) shall be deemed to be a clearing member or trading member:

Provided a person shall not be deemed to be clearing member and / or trading member or their associate, if he/she is on the board of a public financial institution or bank which is in public sector, or which either has no identifiable ultimate promoter, or the ultimate promoter is in public sector or

has well diversified shareholding, and such Public Financial Institution or Bank or its associate is a clearing member and / or trading member:

Provided further that the independent directors of the associates of Public Financial Institution or Bank in public sector, who are clearing member and/or trading member and where the majority shareholding is that of such Public Financial Institution or bank in the public sector, shall not be deemed to be a clearing member and / or trading member for the purpose of sub-regulation (6).

- No foreign portfolio investor shall have any representation in the Board.
- The public interest directors on the Board shall be nominated by SEBI.
- 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.
- A Public Interest Director on the board of the Company shall not act simultaneously as director on the board of its subsidiary or on the board of any other recognised stock exchange or recognised clearing corporation or depository or on the board of Subsidiary of such other recognised stock exchange or recognised clearing corporation or depository.
- A Public Interest Director on the board of the Company shall not act simultaneously as a Member on more than five statutory committees under SECC Regulations of the Company.

7. Composition of Board as per SEBI (LODR) Regulation, 2015

- The Board of Directors shall have an optimum combination of Executive and Non-Executive Directors with at least one Woman Director and not less than fifty percent of the board of directors shall comprise of Non-Executive Directors;
- Where the Chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors:

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

Explanation:-

For the purpose of this clause, the expression - "related to any promoter" shall have the following meaning:

- (i) if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;
- (ii) if the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.

8. Composition of Board as per Companies Act, 2013

- The Board of directors of the top 1000 listed entities and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors.
- With effect from April 1, 2022, the top 500 listed entities shall ensure that the Chairperson of the board of such listed entity shall -
 - (a) be a non-executive director;
 - (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013
- Section 149 of the Act prescribes that every public limited company shall have at least 3 Directors and provides for appointment of up to fifteen Directors without seeking approval of Shareholders. It also prescribes that all listed companies shall have at least one woman director. Section 149 (3) of the Act provides that there should be at least one Director who should have stayed in India for a period of not less than 182 days during FY.
- The Board of directors of the top 500 listed entities shall have at least one independent woman director and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020

9. Independence of a Director

The Independent Director shall enroll his / her name in the Databank, being maintained by Indian Institute of Corporate Affairs at Manesar or such other Institutions as may be notified by Ministry of Corporate Affairs from time to time, to qualify as an Independent Director and shall submit a declaration of compliance to the Board each time he submits the declaration as required under section 149 (7) of the Companies Act.

The key role of an Independent Director is to provide an unbiased, varied and experienced perspective to the Board. While evaluating the candidature of a Director, the Committee reviews the criteria for determining Independence as stipulated under the Companies Act 2013, Listing Regulations and other applicable regulations or guidelines.

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 to it.

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.

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.

10. Disqualifications for Appointment of Directors

Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:

- a. He is of unsound mind and stands so declared by a competent court;
- b. He is an undischarged insolvent;
- c. He has applied to be adjudicated as an insolvent and his application is pending;
- d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- a) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- b) He has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

- c) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- d) He has not complied with sub-section (3) of section 152.

No person who is or has been a director of a company which:

- a) Has not filed financial statements or annual returns for any continuous period of three financial years; or
- b) Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more shall be eligible to be reappointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

11. Term / Tenure

a. Managing Director/Whole-time Director:

• Under the Companies Act, 2013:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term of not less than 3 years and not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term. Managing Director/ Whole -time director can hold office upto 70 years of age.

Provided the appointment of a person who has attained the age of 70 years may be made by passing special resolution at the meeting of shareholders.

• Under SCR (SECC) Regulations, 2018

The appointment of Managing Director shall be for a term not exceeding 5 years provided further that a person may be appointed as the managing director for a maximum of two terms not exceeding 5 years each, subject to a maximum age limit of 65 years.

The Managing director 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; or

- (c) hold any position concurrently in the subsidiary of a recognised stock exchange or a recognised clearing corporation or in any other entity associated with a recognised stock exchange or a recognised clearing corporation:

Provided that the Managing Director may be appointed on the governing board, but not as managing director, of the subsidiary of a recognised stock exchange or a recognised clearing corporation.

b. Independent Director:

• **Under Companies Act, 2013**

An Independent Director shall hold office for a term up to 5 consecutive years. Further, no independent director shall hold office for more than 2 consecutive terms but shall be eligible for appointment after the expiration of 3 years of ceasing to become an independent director.

• **Under Listing Regulations**

Regulation 25(2) states that the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder in this regard, from time to time.

• **Under SECC Regulations**

Public Interest directors (who are essentially independent directors) shall be nominated for a term of 3 years extendable by another term of 3 years subject to performance review in the manner as specified by SEBI. This is however subject to a maximum age limit of seventy five years.

12. Evaluation:

The NRC shall by itself or through the Board or an independent external agency as prescribed in the Board Evaluation Policy, carry out evaluation of performance of the Board/ Committee(s), Individual Directors and Chairman at regular interval (yearly) and review implementation and compliance.

13. Board Diversity

The Board shall consist of such number of Directors, including at least one woman 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 Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

14. For Executive Director

- The Executive Director shall be appointed as per the applicable provisions of the Companies Act, 2013, SCR (SECC) regulations, 2018, Listing Regulations and rules made there under.
- The person to be appointed will be assessed against a range of criteria which shall include but shall not be limited to qualifications, skills, industry experience, fit & proper, background and other attributes required for the said position.
- The Executive Director shall have all the powers and authorities as prescribed by the Board of Directors and as provided in the Articles of Association and applicable provisions of the Act. Executive Director will be overall in-charge of the business, administration and other affairs of the Company subject to the superintendence, control and directions of the Board of Directors and he shall guide, control and supervise the employees of the Company, their functions, the business carried on by the Company and all administrative matters.

15. For Non- Executive Director

The Company aims to achieve a balance of merit, experience and skills amongst its Directors and Senior Management. The objectives of this Policy are:

- a. 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.
- b. To guide the Board in relation to the appointment and removal of directors and Senior Management.
- c. To determine the qualifications, positive attributes and independence of a director and to ensure Board Diversity and implementation of succession planning in the Company.

16. Guiding factors to be considered while appointing PIDs:

- i. Qualification in the area of law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets.
- ii. Atleast one person shall be inducted having experience and background in finance/ accounts who may preferably be inducted in the audit committee.
- iii. Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.

iv. Persons who are likely to have interested positions in commercial contracts and financial affairs of stock exchanges, may preferably be excluded. Persons who are regular traders/ speculators in the market or are director on the board of the Promoter entity of the Stock Exchange or Clearing Corporation, shall be excluded.

17. 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.

18. Criteria for appointment of Senior Management

The following attributes shall be taken into consideration for selecting suitable candidates for appointment as senior management:

- i. The 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 effectiveness of the organisation as a whole;
- iv. ability of the appointee to represent the company;
- v. ability to work individually as well as part of 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 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.

19. 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.

20. Reporting to the Board

The Chairman of the Committee shall report to the Board on material matters arising at the Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

21. 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.

22. Review of the policy

This Policy shall be reviewed by the Committee periodically, presently once in 2 years, unless an earlier review required to ensure that it meets the regulatory requirements or latest industry practice or both.

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 willful 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 3 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 and SCR (SECC) Regulations, 2018 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 and other employees. Regulation 27 of the SECC Regulation mandates that the Compensation Policy for the Key Management Personnel of Stock Exchange shall be in accordance with the norms specified by SEBI.

Accordingly, the Committee hereby recommends to the Board of Directors of NSE, a policy relating to remuneration for the Directors, Key Managerial Personnel and other employees.

2. Definitions

- i. **"Board of Directors"** or "Board" shall mean the collective body of directors of NSE;
- ii. **"Director"** means a director appointed on the Board of NSE;
- iii. **"Public Interest Director"** means an Independent Director, representing the interests of investors in 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;
- iv. **"Independent Director"** shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.
- v. **"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:

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.

- vi. **"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;

- vii. **"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.

- viii. **“Policy”** means this Remuneration Policy.
- ix. The term **“Senior Management”** includes such persons identified by the NRC / Board from time to time in terms of the Companies Act, 2013 and Listing Regulations
- x. **“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.

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 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 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. Factors to be considered under the Remuneration Policy:

- a. financial condition / health of the Company
- b. average levels of compensation payable to employees in similar ranks,
- c. shall not contain any provisions regarding incentives to

- d. take excessive risks over the short term,
- d. revenues, net profit of the Company,
- e. comparable to the industry standards,
- f. role and responsibilities of the key management personnel,
- g. periodic review

6. Remuneration of Directors, KMP and Senior Management:

- i. The remuneration / compensation / commission, etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company, Central Government 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 / commission 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, compensation payable shall be recommended by the Committee to the Board for its approval.
- iii. The Committee shall lay down compensation 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.
- v. 50% of the variable pay in respect of the KMPs in respect of each financial year shall be paid to the employee concerned on completion of 3 years from the last date of the respective financial year. However, as a malus arrangement, the said amount or any part thereof in respect of a financial year may be prevented from

being paid by the NRC committee, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned employee intentionally causing financial loss to the company.

- vi. The KMPs are also covered under a claw back arrangement under which the NRC committee may require an employee to return previously paid or vested remuneration partially or fully, 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 financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.
- vii. 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.
- viii. The following factors shall be considered while fixing compensation package for the employees: performance, potential, qualification, experience, expertise, role, responsibilities, level of employees, inflation, attraction and retention of talent, market benchmark, size and complexities of operation, financial condition and health of the Company, etc.
- ix. Incentive to take excessive risks over the short term shall be discouraged.

7. Remuneration criteria for the board

For Executive Directors:

- a) Base Compensation (fixed salaries)
 - Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, which may include salary, allowances and other statutory/ non-statutory benefits which are normal part of remuneration package in line with market practices.
- b) Variable salary:
 - The Company may structure any portion of remuneration as variable in the form of commission/ bonus or otherwise, linked to rewards on the achievement of Company's and individual performance, fulfillment of specified improvement targets or attainment of certain financial or other objectives set by the Board. The amount payable shall

be determined by the Committee/Board, based on performance against pre-determined financial and non-financial metrics.

- As per Section 197 of the Companies Act, 2013, the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed 11% of net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act except that the Remuneration shall not be deducted from the gross profits.
- The Company may authorise the payment of remuneration upto 5% of the net profits of the Company to its any one Managing Director/Whole Time Director/Manager and 10% percent in case of more than one such official. The Company can exceed these limits only by passing a special resolution at the general meeting.
- The Company with the approval of the Shareholders may authorise the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V of the Act.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Act.
- The Whole-time Director/Executive Director shall not be entitled to sitting fees as per the provisions of the Act.
- The Whole-time Director/Executive Director shall be governed by HR policies as applicable to the other employees of the Company.

For Non- Executive Directors/ Independent Directors/ Public Interest Directors:

- The Non-executive/Independent Directors/ Public Interest Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof.
- All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors within the limits as prescribed under the Act and shall require prior approval of shareholders, however, the requirement of obtaining prior approval of shareholders shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Act.
- The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.

- Commission may be paid to the Non- Executive Directors/ Independent Directors/Public Interest Directors within the limits prescribed under the Act i.e. not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act and with the prior approval of the Shareholders of the Company. The Board shall however, have the authority to determine the manner and proportion in which the amount be distributed amongst the Non-Executive Directors and Independent Directors.
- Shareholders approval by way of special resolution is required for the following:
 - a. Appointment of a person who has attained the age of 75 years or continues to be appointed as a Non-Executive Director
 - b. Annual remuneration payable to single non-executive director exceeds 50% of the total annual remuneration payable to all Non-Executive Directors

For Key Managerial Personnel (KMP) and Senior Management

- The remuneration of the Key Managerial Personnel and Senior Management shall be determined, after considering the following key factors:
 - a) The level and composition of remuneration that should be reasonable and sufficient to attract, retain and motivate directors/executives and should be in line with the industry practice aimed at promoting the short term and long term interests and performance of the company.
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c) Remuneration will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Appointment along with Remuneration of KMP under Companies Act, 2013 shall be approved by the NRC and the Board. The appointment and remuneration of KMP's under SCR (SECC) Regulations, 2018 shall be approved by the NRC. The appointment and remuneration of Senior Management as identified by NRC / Board from time to time shall be approved and recommended by the NRC for approval of the Board. Any subsequent increments to the Senior Management under Companies Act, 2013, Listing Regulations and MD & CEO direct reports shall be approved and recommended by the NRC and Board.

The variable pay component shall not exceed 1/3rd of total pay and 50% of the variable pay in respect of the KMPs under SCR (SECC) Regulations, 2018 in respect

of each financial year shall be paid to the employee concerned on completion of 3 years from the last date of the respective financial year. However, as a malus arrangement, the said amount or any part thereof in respect of a financial year may be prevented from being paid by the compensation committee, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned employee intentionally causing financial loss to the company.

The KMPs under SCR (SECC) Regulations, 2018 are also covered under a claw back arrangement under which the NRC committee may require an employee to return previously paid or vested remuneration partially or fully, 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 financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.

8. Reporting to the Board

The Chairman of the Committee shall report to the Board on material matters arising at the Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

9. 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 the remuneration / compensation / commission, etc. shall automatically be applicable to this Policy.

10. 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.

11. Review of the policy

This Policy shall be reviewed by the Nomination and Remuneration committee periodically, presently once in 2 years, unless an earlier review is required to ensure that it meets the regulatory requirements or latest industry practice or both.

ANNEXURE 4 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 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.

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

- Adequacy of number and length of meetings, commensurate with the size and nature of Company's business.
- Robustness of financial controls and risk management systems.
- Board processes for ensuring optimum size, composition, diversity and delegation of authority.
- Accountability for decisions taken.
- 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,

constructive recommendations made by the Committee(s) to the Board may also be kept in mind.

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. Besides the same, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/she is a member and timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., may also be taken into account.

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.
- Guidance to Board for formulation of annual work plan against agreed objectives and goals.
- 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.

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.
- 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 meetings 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 adheres 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 members.
- 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.

VI. PROCESS FOR PERFORMANCE EVALUATION

The following process may be adopted for performance evaluation:

- Independent Directors may at their meeting, review the performance of the Chairperson, the Non-Independent Directors and the Board as a whole;
 - The NRC or Board or the Independent External Person may, carry out the evaluation of every Director's performance, the Board and the Committees. The NRC or Board or the Independent external agency, while doing so, may also take into account the inputs of review by Independent Directors;
- A. Process of Evaluation by the Independent Directors / PIDs

The Independent Directors / PIDs may review the performance of the Chairperson, the Non-Independent Directors and the Board as a whole. In the meeting, the Independent Directors may like to consider the following while carrying out performance evaluation of:

I. Chairperson:

- 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.
- Efficient leadership qualities and determination of delivery of the Company's strategy.
- Guidance to Board for formulation of annual work plan against agreed objectives and goals.
- 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.

II. Non-independent Directors:

(i) 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.

(ii) Shareholder Directors

- Places company's interest ahead of personal interest.
- Protection of stakeholders' interest.
- Protection and enhancement of Company's brand value and goodwill and delegation of authority and responsibility.
- Alignment of day-to-day functioning with the strategic aims and financial goals of the Company.
- Exercise of duties with due and reasonable care, skill, diligence and independent judgment.

(iii) Board of Directors:

- Corporate Governance standards adopted by the Board such as board composition, board diversity etc.
- Independence in functioning and decision making.
- Commitment to highest ethical standards of integrity and probity.
- Provision for entrepreneurial leadership.
- Effective guidance for setting up and achieving the strategic aims and financial goals of the Company.
- Implementation and periodic review of policies and procedures for risk management, financial controls and statutory 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.
- Engagement with executive management (formal or informal) on issues/concerns having effect on the Company's functioning and adequacy on flow of information to the Board.
- Ensuring necessary financial and human resource

support to achieve Company's objectives.

B. Process of Evaluation by Board / NRC/ External Agency

The Board / NRC/ External Agency may evaluate the performance of the Board as a whole, the Board Committees and the Individual Directors as defined in the Board Evaluation Policy ('the Policy') considering the following:

i. Board of Directors:

- Corporate Governance standards adopted by the Board such as board composition, board diversity etc.
- Independence in functioning and decision making.
- Commitment to highest ethical standards of integrity and probity.
- Provision for entrepreneurial leadership.
- Effective guidance for setting up and achieving the strategic aims and financial goals of the Company.
- Implementation and periodic review of policies and procedures for risk management, financial controls and statutory 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.
- Engagement with executive management (formal or informal) on issues/concerns having effect on the Company's functioning and adequacy on flow of information to the Board.
- Ensuring necessary financial and human resource support to achieve Company's objectives.

ii. Board Committees:

- Constructive recommendations made to the Board from time to time.
- Engagement with executive management (formal or informal) on information required by the Committee to effectively discharge its statutory responsibilities.

iii. Individual Directors:

- Understanding of roles, responsibilities, regulatory systems, laws and regulations applicable to the Company and performance of duties in an 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.

While carrying out performance evaluation as above, the Board may take into account the inputs received, if any, from the review by NRC, if any, and the review by Independent Directors.

iv. Public Interest Directors (PIDs):

- a. Board shall evaluate the performance of each PID, on an annual basis at the end of every financial year.
- b. PID's shall also be subject to external evaluation during their last year of the term in a company, by a management or a human resources consulting firm. The consultant shall take into consideration the performance of the PID for the entire tenure served in a given company, at least up to 4 months before expiry of his/her term. In order to avoid any bias or conflict of interest, external consultant should not be a related party or associated with the company, the concerned PID or any other governing board members.
- c. The performance review of PID's should be carried out in fair and objective manner and the review should be recorded with clarity and verifiable facts in a standardised format covering all the relevant criteria/aspects.

While evaluating conflict of interest of a PID, the governing board of MII shall also take into consideration provisions of Clause 2(d) of Schedule II Part H of SECC Regulations, 2018 under the head 'Public Interest Director'; and conflict of interest, if any, of any PIDs should be disclosed to SEBI by the governing board with their comments/ views.

ANNEXURE 5 TO BOARD'S REPORT

ANNUAL REPORT OF THE CSR ACTIVITIES FOR FY 2020-21

1. Brief outline on CSR Policy of NSE

NSE Group CSR Vision

NSE Group has constantly endeavoured to improve the financial wellbeing of people at large through a committed approach to offer investment products that suit varied needs of people. It has expanded access to financial markets for people across the country by introducing transparent and efficient systems, improved safety measures for investors, empowering investors through awareness and education on financial planning, investor protection and investment related issues.

Besides this, NSE Group has continuously worked towards integrating sustainable and responsible business practices through environment friendly measures such as recycling of waste, reducing paper, water and energy conservation, use of renewable sources of energy, eco-friendly infrastructure, gender diversity and inclusive workplace policies.

NSE Group further 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.

The key focus sectors identified by NSE Group for social intervention and impact target the triply disadvantaged sections of our population. The key change and impact indicators in every programme strive to align with the nation's social development goals and the larger global sustainable development goals.

a) CSR Focus Areas, Objectives and Goals

The CSR objectives have been identified basis the larger mandate outlined in Section 135 of the Companies Act 2013 and Companies (CSR Policy) Rules 2014 as well as to meet NSE's community engagement aspirations.

NSE Group has currently identified six CSR areas as issues of concern to be addressed in the developmental landscape in India. They are i) Primary Education, ii) Elder Care, iii) Sanitation & Safe Drinking Water, iv) Health & Nutrition v) Environment Sustainability and vi) Skill Development & Entrepreneurship. In addition, during times of natural calamities and disasters NSE Group strives to provide speedy relief and assistance to affected geographies and communities through contributions

to the Prime Minister's relief fund, emergency disbursements to undertake relief through NGOs etc. The initiatives also incorporated research and studies in areas specified in Schedule VII including promoting education.

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. Projects implemented under these verticals are not one-time activities but are on a programme mode on timelines that will achieve the pre-determined goals and impact.

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 have been undertaken by the CSR Society Focus Group of NSE Group.

The core CSR focus verticals are further detailed in the following sections.

- **Primary Education**

The NSE Group CSR initiatives in Primary Education, focus on bridging the literacy gaps of children aged between 5 - 12 years from disadvantaged communities who form the bottom rung of society. The programme outcomes contribute to the holistic development of children which includes addressing their physical, mental and aspirational needs through supplementary and in-school programmes.

NSE Group has identified interventions in capacity building and training of teachers that will augment teacher-student ratio and directly impact the quality and quantity of teaching that is currently provided in schools. The aim is to improve reading, writing, critical thinking, arithmetic and problem-solving, application and behavioural skills in students and create a cadre of highly motivated teachers who become change agents.

- **Sanitation and Safe Drinking Water**

The initiatives in WASH (Water, Sanitation and Hygiene) programmes are aligned to the goals of the Swachh Bharat Mission and the Swachh Bharat Swachh Vidyalaya. Under this, NSE Group supports sanitation projects in the schools and communities as well as builds awareness on sanitation, safe drinking water, solid and liquid waste management and other WASH-related aspects to ensure usable WASH

facilities in schools, Anganwadis, etc., and strives to create sustainable open defecation (ODF) free communities through sustained behaviour change communication.

- **Health & Nutrition**

Over the last decade, despite significant progress in the health system and various disease indicators, this sector remains a critical focus area, with huge disparities between geographies that need to be addressed.

Health is a vast subject covering various issues related to communicable, non-communicable, vector borne diseases and disorders that are addressed in various ways through promotive, protective, curative, preventive, palliative and rehabilitative services. Health and Nutrition services are vital across the life span of a person including reproductive, neo natal, child, adolescent, adult and older person. Thus, the NSE Group CSR initiatives in health will be broad ranging (rural and urban health) and where feasible seek to align with the priorities outlined in the National Health Policy and the National Health Mission and Sustainable Development Goal-3 which is “good health and well-being”.

- **Elder Care**

Demographic Ageing is rapidly advancing with 1 in 6 Indians slated to be a senior citizen by 2050. This poses a huge set of challenges and stresses on the nation and society, which include a larger financially dependent population, increased demands on health care systems, social security, protection and management.

The area is challenging as this problem has not been taken up as an imminent issue. Projects considered under the elder care segment focus on enhancing the holistic well-being of the underprivileged ageing population by awareness campaigns and addressing their mental and physical health indicators through health camps etc., addressing elder abuse, loneliness, economic and financial independence through activities that create awareness of issues relating to the elderly.

- **Environmental Sustainability**

The environmental ecosystem is a fragile relationship between various elements such as air, water, soil, flora, fauna etc. Some critical issues that pose an unprecedented challenge are pollution (of soil water and air), ground-water depletion, solid & liquid waste management, loss of forests with the accompanying biodiversity etc. Further, unexplained climate change leading to disasters that cause widespread damage and economic losses such as the floods in Kerala, are increasing each year. Interventions

and innovative solutions are required to address the above.

In keeping with NSE Group’s commitment to environmental conservation issues of ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water will be addressed.

- **Skill Development and Entrepreneurship**

India has an unparalleled youth demographic- 65% of its population is 35 years or under and over 62% of the population is in the working-age group (15-59 years). While this demographic dividend or divide promises immense opportunities, it brings its own set of challenges such as equipping youth and those in the employable band with adequate, relevant, job-ready skills.

The initiatives on skill development shall be aligned to National Policy for Skill Development & Entrepreneurship 2015, the National Skill Development Mission and other Government schemes in short and long term skill development, apprenticeship, vocational training, upskilling, entrepreneurship, etc., and contribute to the outcomes envisaged under the universal Sustainable Development Goal (SDG) 8 - promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- **Disaster Relief and Rehabilitation**

From time to time various geographical areas of the country are affected by natural disasters such as earthquakes, floods, landslides, cyclones, tsunamis, urban flood, heat waves and drought etc., as well as emergencies and calamities in urban and rural areas. Relief and rehabilitation activities will be undertaken through NGOs/implementation partners or through contributions to Government bodies/institutions set up by the State /Central Government to undertake such relief and rehabilitation activities.

- **Prime Minister’s National Relief Fund**

India being a vast country susceptible to the vagaries of nature, various geographical areas are affected by natural calamities such as floods, storm, earthquake, etc. Relief is granted, through the contribution to the ‘Prime Minister’s National Relief Fund’, PM CARES Fund and other such Funds as may be notified under Schedule VII to provide relief during disasters as one of the focus areas in such circumstances if and when need arises.

- **Research and Studies in areas specified in Schedule VII including promoting Education**

Research activities may be undertaken in the areas as

described in Schedule VII of the Companies Act, 2013 as CSR activities.

b) Selection Criteria for Projects

The NSE Group CSR objectives have been identified basis the larger mandate of the Sec. 135 of the Companies Act 2013 and the Companies (CSR Policy) Rules 2014, which outlines the corporate social responsibility of companies. NSE Group has further defined the CSR interventions to be undertaken and laid down the criteria for selecting projects on a long-term timeline to achieve outlined indicators to create a sustainable impact in identified communities.

The on-ground agencies (NGOs) are selected after intense scrutiny and due diligence by NSE Group programme monitoring and evaluation (PME) partners. This includes, legal & financial due diligence, conformation to guidelines prescribed in Sec.135, programme evaluation, past track records and so on.

The programme proposals are evaluated on various parameters such as alignment to the CSR vision and CSR policy of NSE Group, focus verticals, type of beneficiaries, relevance of the scope of work to thematic requirements, focus on the larger community, emphasis on training and capacity building, working with Government schemes, departments, sustainability of the intervention, innovativeness, uniqueness, scalability, replication of programmes, outputs, outcomes, plan for monitoring and evaluation, impact assessment and employee engagement opportunities.

c) Monitoring and Evaluation of CSR Initiatives

Rigorous monitoring and evaluation processes ensure the success of the CSR programmes. NSE Group through empaneled Project Monitoring and Evaluation agencies (PMEs) of repute and experience, that apply stringent criteria while selecting the NGO partner and the programmes. A detailed evaluation matrix is applied to assess the outcome of the projects by identifying key programme indicators that are, tracked on a regular basis through periodic desk reviews, site visits, follow-ups, capacity building, quarterly on-site programmatic and financial scrutiny as well as advice on organizational or programmatic corrections to ensure the impact and sustainability of the programme.

d) Projects undertaken by NSE Group CSR during the FY 2020-21

Primary Education:

I. Anupad

Anupad is a programme to improve the learning outcomes in 18 government-run Ashramshalas

in Nashik District. It provides need-based input to children of grades five to seven in an accelerated manner to enhance numeracy and literacy competencies. The programme achieves its objectives by placing trained Sikshan Mitras to build teachers and Principal's capacities through onsite support. To ensure sustainability, the entire programme is implemented in close collaboration with the Tribal Development Department (TDD), Govt. of Maharashtra. The pandemic has affected the program due to the closure of residential schools for more than 10 months. However, though the schools were closed, Sikshan Mitras helped teachers enhance their capacities and strengthen their instructional skills through online sessions.

II. Atikranta-An initiative towards transformation

This recently commenced project "Atikranta" aims to serve 2,200 urban children living in the slums of Kolkata. The program will be implemented in two phases; in phase one, support will be provided by para teachers or Sikshan Mitras (SM) to selected children from 40 government schools to continue learning at home while schools are closed due to COVID 19. This will be undertaken both through a virtual and personal connect mode. Lessons will be sent to children through social messaging apps followed up with phone calls. For students who do not have access to phone or computers, the SMs will visit the home of the child, distribute worksheets and resolve difficulties in learning. After the resumption of school activities, an assessment of available WASH infrastructure in schools will be carried out along with Knowledge, Attitude and Practices (KAP) study of the students, teachers and other stakeholders so that the facilities can be retrofit and made available for use by students.

III. Creating and Enabling a Learning Environment for Academic Excellence

This project which has recently commenced in Delhi, will reach out to 7,000 children in government primary schools of Municipal Corporation of Delhi (MCD) through an integrated education and WASH (Water, sanitation and hygiene) intervention. The project will work with all children from grades 1-5 especially children who have difficulty in foundational literacy and numeracy. Most of them are first-generation school students from migrant families. To have an integrated impact, the WASH infrastructure retrofitting will be undertaken in

the selected schools or communities, along with rigorous behaviour change communication on safe WASH practices and habits.

This programme will also include strengthening school management committees and teacher training through active demonstration and instruction; schoolteachers would be encouraged to internalise better classroom practices using storybooks and reading kits. Existing IT infrastructure in schools will be leveraged and teachers trained to access the plethora of ready-to-use, downloadable TLMs, and e-stories.

IV. Creating Learning Culture

This recently commenced project will work with 40 selected schools under the Municipal Corporation of Greater Mumbai (MCGM) in Kurla, Mumbai, to enhance the quality of learning of around 8,000 students. While the intervention strategy will focus more on an in-school initiative, substantial efforts will be undertaken at the community level as pandemic has affected communities from the lower socio-economic sections of Mumbai, many who are migrants, and there appears to be substantial loss in the learning levels of these children, especially the first-generation learners. The project will be implemented over a three-year period, and activities through traditional and digital modules will be undertaken to improve language, math and school readiness skills among children of first to fifth grades. The learning goals for such intervention will ensure that grade-level competencies in language and math are based on the child's existing foundational competencies. Children will gain access to colourful books, through a school-based library.

V. Girl Child Education Programme

The five-year Girl Child Education project runs 100 out-of-school learning centres in Purulia and Bankura Districts in West Bengal, some of which are extremely remote.

The project objective is to improve access to quality education for out-of-school girls and girls with poor attendance in schools through learning centres to improve their learning outcomes and ensure their transition to formal schooling and continuing education. These learning centres have employed community members as their para teachers, who receive intensive and periodic training to educate

them effectively. 100 such community members have been trained and employed as teachers in these centres.

The learning centres are set up with the community's help in the spaces provided by them to promote ownership of the program. This project has reached 1,475 girl children in Purulia and 1,622 girl children in Bankura in its third year of intervention. Significant learning improvement has been observed as over 80% of children moved into higher levels over the last year.

VI. Education of Girls in Ajmer District

The project has concluded and the impact assessment has been initiated. The programme was implemented in 468 villages within 3 Blocks (Jawaja, Silora & Bhinai) of Ajmer district in Rajasthan. It aimed at enrolment of girls who had dropped out of schools or have never been enrolled, retention of girls enrolled in schools and improved learning outcomes of children, especially girls, studying in grades 3, 4 and 5.

In order to improve learning levels (numeracy and literacy), a curriculum was implemented in schools for all children in grades 3, 4 and 5 with the use of specially designed kits.

The intended impact of the project was to increase enrolment of girls in schools, retain at least 85% of enrolled girls in school and improve learning outcomes for over 4,900 children studying in grades 3-5. The programme is undertaken by a cadre of unpaid community volunteers trained for the purpose. This programme has been able to re-enroll over 1,700 out-of-school girls in schools across the 3 blocks of Ajmer and formalise over 200 Balika Sabhas (Girls council) in upper primary schools and conduct life skills training for over 2,700 girls.

VII. Leadership Training of the Panchayat Elementary Education Officers (PEEOs)

The Principal training programme conducted in Jaipur aims to build the academic and leadership skills of the 6,000 Principals of the Adarsh schools so that they can ensure effective implementation of the State Improvement for Quality Education (SIQE) programme and improve the quality of education delivered by their schools. Through a comprehensive six-day training module, more

than 4,000 PEEOs have been trained to support and monitor schools for effective implementation of child centric pedagogy (CCP) and continuous and comprehensive evaluations (CCE) processes which is expected to gradually impact the quality of education delivered by the schools at scale. PEEOs are now actively participating in workshops/meetings with DIET faculty to develop worksheets, summative tools, teaching-learning materials and mentoring the primary schools in their vicinity for subject and administration improvements.

The feedback gathered from the programme shows that almost 100% participants found the training useful, 68% respondents found the session highly satisfactory and 65% said that their understanding of children's evaluation methods was highly satisfactory.

VIII. Learning Orbit for Village Excellence

This program brings together a diverse and dynamic pool of thirty youth (teaching fellows), from local and urban communities to bridge and elevate the learning deficit in tribal, rural pockets of Kotra and Gogunda, two rural blocks of Udaipur district across thirty villages impacting 3,200 students.

The nationwide lockdown due to COVID halted the ongoing activities under the project. To continue the learning process among children of Kotra and Gogunda, learning support was provided through Hamlet Learning Circles (HLC). Each teaching fellow was responsible for two such circles, and around 699 students continued their learning through these circles. The Integrated Audio Learning (IAL) Program was launched to create meaningful and relatable audio learning content that integrates the current EVS and language curriculum with the holistic social-emotional-ethical learning curriculum. To continue the learning through the lockdown, the project collaborated with a local community radio to host a radio programme called 'paathshaala ki ghanta bajao!' and comprises of 150+ episodes of 25 minutes each – covering environment, science and language concepts, so that students who do not have smartphones can tune in to the radio through their basic mobile phones and listen to the content. The other activities include the Learning Festivals (LF), in which a series of experiential learning workshops designed in the form of a progression of activities taking

children from exploration to creation. The 6-day format builds the students' creative confidence by experimenting, collaborating, trying new things, and learning by doing.

IX. Prajwala: Strengthening the KGBVs to ensure quality education for all (Madhya Pradesh)

This three-year education initiative aims to cover all 207 Kasturba Gandhi Balika Vidyalayas (KGBV) across Madhya Pradesh, reaching more than 30,000 girl students and improve their language and math competencies in addition to their life skills.

Young adolescent girls belonging predominantly to the socially and economically weaker families from educationally backward blocks, enroll in KGBV hostels which provide food and other facilities. The literacy component is provided by the local zilla parishad upper primary schools near the KGBV hostels which the girls attend from Grade 5 to 8 depending on their age and learning level.

The programme, which is in its third year of implementation is delivered through a cadre of more than 400 local female volunteers called sikshan mitras, and intends to improve the quality of education delivered for the girls enrolled in these residential schools through foundational and remedial education, in addition to value and life skills sessions.

In the wake of Covid-19, when the KGBVs were closed, the community volunteers and the project team aligned the academic activities by conducting online and offline neighborhood remedial classes with the support and cooperation of the community under the state's initiative 'Apna Ghar Apna Vidyalaya'. More than eight thousand students were benefitted through this initiative, and their education continued via blended e-learning classes using ICT technology tools. The students' assessment showed an average increase in language and mathematics proficiency in the range of 25-35% across all the grades. In addition, an online training for all KGBV staff and 323 state hostel wardens was conducted in collaboration with the Madhya Pradesh Rajya Siksha Kendra. The capacity building of the School Management Committees (SMCs) was also undertaken to orient them on their role and responsibilities, including protocols, precautions and steps to prevent Covid-19.

X. Prajwala: Strengthening the KGBVs to ensure quality education for all (Rajasthan)

Project “Prajwala” initiated in the year 2018-19, reaches out to all the 200 KGBVs across Rajasthan annually benefiting around 25,000 girl students enrolled in these institutions. The project has placed around 400 trained female academic support fellows to provide academic support in the KGBVs. Six workbooks have been developed in Hindi and Math according to the various learning levels, which have been approved and accepted by the state department of education for strengthening the remedial programme.

The project also aims to strengthen the participation of School Management Committees (SMCs) for facilitating effective management of the schools and sensitise the block/district /state level government department officials so that the required academic support and monitoring is ensured resulting in quality outputs. Academic support through remedial classes are ongoing activities. Community volunteers continued to conduct online and offline remedial classes especially within the communities and shared worksheets and other activity material specially created for the students.

XI. Rehli Shiksha Pahal Program (RSPP)

This project seeks to upgrade learning opportunities for elementary school students in 214 villages and 150 schools in the Rehli block of Sagar district in a span of five years through community volunteers and para teachers through community-based learning centres as well as showcasing selected zilla parishad schools as model schools. To bring about qualitative improvement in the schools, close coordination with the cluster resource centres (CRCs) and block resource centre (BRC) was integrated into the project.

Balamitras and Janamitras, adhering to the safety protocols, and maintaining the social distancing protocols in the villages, met the children’s parents at their home to distribute worksheets and books for children so that studies could be continued at home. Additionally, to secure children’s engagement towards education, Balamitras and Janamitras also carried out other activities such as ensuring setting up and the regular functioning of the community learning centres, and working with the local teachers on, ‘Hamara Ghar Hamara Vidyalay’ initiative.

XII. Serving and Enriching Education for Under-privileged Urban Children in Bhiwandi-Nizampur and Malegaon

The objectives of this recently concluded project was to improve access and quality to primary education for children from families of selected slums clusters in Bhiwandi-Nizampur and Malegaon near Mumbai.

Sikshan Mitras selected from the community were given intensive training to anchor the community learning centres or ‘Sikshan Ranjan Kendras’ (SRKs) and bring education to the doorstep of children.

16 ‘Sikshan Ranjan Kendras’ were established in each location totaling 32 learning centres and covered around 1,632 children through their activities.

The unique feature of Sikshan Ranjan Kendras was the use of varied teaching learning methods (TLM) while delivering academic inputs with games, sports and other activities such as drama and theatre. The students took an active part in the community-based programs such as puppet shows, rallies and annual gatherings.

During the COVID 19 pandemic, the Sikshan Mitras and project managers were in continuous communication with the children and their families. Along with education support, Sikshan Mitras also helped local community members distribute food, sanitisers, conduct awareness and hygiene sessions etc. The ‘bal panchayats’ role at the community level was strengthened, and many students played an active role in ensuring services were provided from both local areas elected representatives, as well as, the local schools. Effective use of libraries in all centres during the pandemic was observed. The assessments showed an increase in learning level from the baseline; for children who were at an average score of 11% initially and improved to 75% during end line assessment.

XIII. Student Teacher Empowerment Programme, Sheopur

The project was launched in 2017 to benefit 4,000 students across 40 government primary schools in Sheopur, Madhya Pradesh. In the first two years, more than 5,000 students benefitted from the project each year. The project is currently in its final year and has overcome the challenges on account of the restrictions posed due to COVID-19 by reaching out to

students through multiple community learning circles that have been set up and are being run in partnership with the community in the intervention locations.

The impact of community engagement was evident when the schools closed in the wake of COVID-19 in March 2020, and volunteers from the community were identified in partnership with SMC members in June 2020 to devote their time pro bono to the 'community learning circles' called Bal Shikshan Sabha, which are safe learning spaces for children to study in smaller groups under a volunteer's supervision in their neighbourhood. Sikshan Mitras trained the volunteers through constant mentoring and handholding. Currently, 36 Bal Shikshan Sabhas are operational in Sheopur with the support of 38 volunteers, benefitting over 4,100 students.

Student learning achievement has more than doubled over the past three years in the intervention locations in both Hindi and Mathematics. The increase in the language (Hindi) has been from 30% at baseline to 78% at end line in Karhal block, whereas it was increased from 25% at baseline to 75% at end line in Sheopur block. For numeracy, the same was 25% at baseline and increased to 75% at end line in Karhal block and 38% at baseline to 64% in Sheopur block.

XIV. Swachha Vidyalaya Swachh Aadat

Swachha Vidyalaya Swachh Aadat project is designed around WASH interventions in 312 schools in Dumka and Pakur Districts of Jharkhand State. This project has completed its three-year period in which it aimed to capacitate 104 schools each year in planned phases and ensure that children in these schools have access to basic facilities such as functional school toilets, safe drinking water, clean surroundings and awareness on health and hygiene issues. Through its three year initiative the programme has reached 39,141 students, teachers and mid-day meal handlers, who received trainings on personal hygiene practices, methodology of safe handling of drinking water, food hygiene and kitchen management of mid-day meal schemes etc. 1,900 teachers have been trained on importance of WASH in schools, their role, responsibility and methodology on imparting hygiene education and 5,000 school management committee (SMC) members were trained on preparation of school development plan and advocacy strategies to adopt for leveraging

school improvement funds. In the year 2019-20, School management committees have leveraged funds of ₹ 62 lakhs towards improved WASH infrastructure in project schools. To ensure safe drinking water, water quality testing of sources was undertaken and iron removal filters were installed in locations with high iron contamination.

XV. Urban Learning Improvement Program

This recently initiated project will work with students in 25 government schools and engage with 5,000 children in Chennai to enhance the quality of learning. The activities combine both in school and out of school community interventions to ensure a healthy and sustainable learning environment for children. The project term of 3 years would be implemented in phases. Phase-1 will analyse the impact of the COVID-19 pandemic on drop-out rates, attendance patterns in schools, communities' overall perception around COVID-19 post lockdown etc., and undertake mobilisation for re-enrolment and bridge classes amongst other activities. Phase-2 will have structured strategies for numeracy and literacy by improving language and math competencies for children of class 3 to 5. The program will initiate the setting up children's groups in communities to improve reading among children of standard 1-5. Mothers' groups will also be created in the community to encourage ongoing interactions and support. Youth from the communities will assist in engaging children in various community activities and assisting project staff members in conducting instructional work.

SANITATION and SAFE DRINKING WATER

XVI. Prajwala- Sanitation (Madhya Pradesh)

This programme is aligned to Project Prajwala (education) conducted in 207 KGBVs (Balika Vidyalayas) of Madhya Pradesh. The main objectives of the programme are to ensure improved knowledge, attitude and practices among students, who are girls, and teachers towards various aspects of WASH in the KGBVs in Madhya Pradesh, retrofitting of WASH infrastructure to make the KGBVs WASH compliant and develop systems for operation and maintenance (O & M) of WASH infrastructure in the KGBVs. This project is implemented in partnership with Raja Shiksha Kendra (RSK), Government of Madhya Pradesh and UNICEF as the technical advisor.

The pace of infrastructure work remained relatively slow due to challenges posed by COVID-19 on several fronts. The supply of materials was affected due to the nationwide lockdown. Finding suitable masons was another challenge due to mobility restrictions; however, the construction activities were planned with all the safety measures. During these ten months, retrofitting work was completed in 58 KGBVs. These include installing 39 prefabricated handwashing stations, including the storage tank, pipeline and wastewater management, restoration in 56 sanitation blocks, construction of 23 dish wash stations. In addition to the above, detailed infrastructure assessments have been conducted in the 32 KGBVs and submitted to the Government for further action.

XVII. Prajwala- Sanitation (Rajasthan)

Project Prajwala has been designed to improve the Water Sanitation and Hygiene (WASH) facilities of 200 Kasturba Gandhi Balika Vidyalayas (KGBVs) in 33 Districts of Rajasthan. The project is currently in its third year and has reached 16,385 girls' children through various interventions. The project works on a partnership model with local NGOs for field support, organizations such as UNICEF for technical support and the education department of Rajasthan for systemic support and sustainability. The key project activities are retrofitting sanitation infrastructure of the sanitation block, kitchens, cloth washing stations and incinerators, improving facilities for personal hygiene in dormitories, developing kitchen gardens and improving the overall cleanliness of the campus, behaviour change communication (BCC) for children, capacity building and training and development of operations and maintenance (O&M) protocols. This is expected to improve sanitation facilities' usage and maintenance and enable the adoption of appropriate sanitation and hygiene practices, including menstrual hygiene management, handwashing, personal hygiene, etc., among the students. The gender-sensitive and child-friendly WASH unit was constructed in 90 KGBVs this year, thus covering 111 KGBVs under the project. Additionally, the school managements have undertaken retrofitting and augmentation of existing infrastructure through cash and in-kind support from municipal corporations, Panchayati Raj Institutions and individual donors to make WASH a priority.

Behaviour Change Communication (BCC) sessions for the stakeholders on various WASH themes have been conducted via school visits. As schools were closed for students due to the COVID pandemic, WASH education activities were facilitated via the social media groups.

For ensuring the sustainability of efforts and institutionalising innovations along with strengthening systems within the school, programme reviews were held with the education department in all 33 districts, along with meetings at block and panchayat level across the state.

Project Prajwala is being documented as a case study on Collective Learning and Action for Sustainable Community Development, an initiative being undertaken by Asia-Pacific Cultural Centre for UNESCO (ACCU) Japan.

XVIII. Promoting WASH Compliant Ashramshalas

The recently concluded three-year model project on Water, Sanitation and Hygiene (WASH) was undertaken in 172 tribal residential schools or Ashramshalas run by the Tribal Development Department (TDD) in a phased manner. These schools, located in remote areas, offer a residential, educational facility to children from disadvantaged tribal backgrounds, especially those whose parents seasonally migrate for work. NSE Foundation initiated this unique project in a collaborative model with the Tribal Development Department, UNICEF and various civil society organizations and the project aims to impact around 70,000 students, around 2,000 school staff and TDD officers.

The project looks into three major components: (1) Retrofitting of WASH infrastructure as per the Assessment survey of Ashramshalas (2) Enhanced awareness, knowledge and behaviour change on the aspects of WASH by students, teachers, government officials of TDD and sanitation workers (3) Build or improve systems around operations and maintenance.

XIX. School Health Program

This recently commenced project will work in the Municipal schools in Mumbai, especially in Kurla. The students belonging to the slum communities located close to the NSE group Exchange Plaza office in BKC, live in unhygienic and cramped conditions, making them vulnerable to various

infections. This becomes an increased concern given the COVID pandemic, where personal hygiene norms are extremely crucial. The project is expected to reach approximately 9,000 children directly through the activities such as creating functional WASH facilities in government schools, safe, clean and hygienic drinking water source at the school, regular sessions with students and teachers to ensure safe WASH practices and personal hygiene practices are followed, and outreach into the nearby communities to undertake interventions in awareness and behaviour change sessions.

XX. Strengthening WASH in Municipal Schools of Ahmedabad

This recently commenced project aims to create usable WASH facilities in municipal schools of Ahmedabad and improve hygiene through behaviour change session (BCC) thereby promoting better health and hygiene practices in around 10,000 students and their families for 25 schools within Ahmedabad municipality. The project will undertake repair/retrofitting of sanitation facilities, such as handwashing stations, urinals, toilets, etc., as per indicators detailed in Swachh Bharat, Swachh Vidyalaya in 25 schools under Ahmedabad Municipal Corporation.

ELDER CARE

XXI. Rashtriya Netra Yagna

This recently concluded project aimed to reduce reversible blindness and treat eye diseases for the elderly from the lower socio-economic strata of the society, especially from rural areas. Loss of vision is a major issue for the elderly and impacts the quality of their life and living. The senior citizens were reached through a network of eye hospitals and community-based organizations (CBOs) India to conduct eye health camps in rural areas. The camps undertook checking of vision and identifying the elders who needed intervention or treatment. The local hospitals and CBOs assisted with the entire lifecycle of treatment from identification, facilitation of surgery including transport to the hospital, counselling, post-surgery care and follow up for the elderly patients. The project has restored the vision and treated eye related disorders for 7,450 senior citizens across various locations.

XXII. Shraddha: Towards Active and Healthy Ageing

The project aims at promoting active and healthy

ageing among the elderly through self-help collectives in four blocks of four states: Ghatanji (Yavatmal, Maharashtra), Pochampalli (Yadari, Telangana), Kolaghat (Purbi Midnapore, West Bengal) and Basantpur (Supaul, Bihar).

The project has completed its third year and has entered the term extension of two years to complete the activities. The needs and social-health-economic profiles of 5,992 elderly have been enumerated, and 35% of them were successfully linked to one or more government schemes while 5,320 elders were made members of elderly self-help group (ESHG) collectives.

All the 405 ESHGs under the project have gained access to banks through the opening of a savings bank account. The inter-loaning has provided for the initiation of supplementary livelihoods for 2,000+ individual elderly and their families. Credit access from bank/financial institutions of ₹ 3,55,500/- was obtained at the Kolaghat project location. Seed Capital provided under the project saw the commencement of 33 different petty trades and livelihoods, with 35% of the seed capital provided as loan to individuals for agriculture and grocery shops.

Mobility was restored for 2,213 elderly members through customised poly-centric knee devices (1,597 elders) and cataract surgeries for 616 senior citizens. Accredited Clinics or Gram Chikitsa provided 11,855 treatments during the project, ensuring that the assisted elderly remain active with the availability of health facilities at their doorstep. Nearly 62% of the elderly were able to receive specialist medical consultation at the multispecialty health camps. 36 Village Level Federations (VLFs) were formed with sub-committees established at VLF-level. Leaders were nurtured at the various levels who took part in the exchange visits, and Elderly Community Resource Persons (ECRPs) were trained.

XXIII. National Helpline for Senior Citizens (NHSC) with Ministry of Social Justice and Empowerment (MoSJE), Government of Telangana, National Institute of Social Defense (NISD) and other State Governments.

The recently commenced project aims to create a helpline for senior citizens across the nation that provides information, guidance, emotional

support, and field intervention, driven by values of care, empathy and encouragement. The project will support the Ministry of Social Justice and Empowerment (MoSJE) to roll out the response system across the States. For the same, a national level agency (NIA) has been created with MOSJE, National Institute for Social Defence, Govt. of Telangana of which NSE Foundation has been inducted as a member. The selection of local agency and the cloud servers have been allotted within National Informatics Centre (NIC) in Pune, training programmes of the local support agencies undertaken, manuals and standard processes created, the help line number and other communication material has been finalised.

DISTRICT TRANSFORMATION STRATEGY

XXIV. Aalambana: Towards Active Ageing

This project currently engages with a cumulative number of 16,308 rural elderly through various programmes to address primary concerns of a) social inclusion for countering isolation and neglect, b) working towards financial inclusion and economic security, c) access to health care as a livelihood capital and d) digital literacy and digital inclusion. The project is currently implemented in the Sapotra block in Karauli district of Rajasthan, Mandapam block in Ramanathapuram district of Tamil Nadu and Rajnagar block, Birbhum district of West Bengal.

The programme has mobilised, trained and capacitated approximately 10,896 elderly into 1,223 self-help collectives to engage better with existing or new livelihood opportunities and providing for livelihood assets or restoration support. 1,068 self-help groups have got bank accounts opened.

Considering the healthcare access in rural areas, a community-managed module for healthcare to respond to chronic ailments and palliative care for the bed-ridden destitute elderly is being institutionalised. Gram Chikitsa (Cluster Village Clinics) has been established to include cataract surgeries and poly-centric knee braces for mobility restoration. These clinics have distributed customised polycentric knee devices to 3,115 elderly, IOL surgeries for 1,006, provision of spectacles to 5,114 elderly, and 4,769 elderly received specialist consultation in Multi-specialty Health Camps.

XXV. Akshara

This education project covers all primary schools in Rameswaram Island in the Ramanathapuram District of Tamil Nadu. The project aims to bridge students' learning gaps in primary classes through remedial sessions from grades 2 to 5 in Rameswaram Island's government schools. This project is in the second year of intervention activities, reaching 21 schools and 1,155 primary students. The interventions supplement the school curriculum with innovative teacher learning material, capacity building of teachers, increasing learning levels of the student through school activities to achieve the project objectives. The project's activities are planned over three years to improve the learning levels of students in Maths, English and Tamil. Community youth trained as para teachers in innovative pedagogy and involved in the programme as Sikshan Mitras. During pandemic (COVID-19) lockdown, teaching-learning material was developed for children for home-based learning. 11 community-based learning centres were formed, and around 350 children benefitted from the same.

XXVI. Alokito Shoishab (Enlightened Childhood)

The project aims to enhance academic competency and life skills for around 8,000 children in 107 government primary schools of Rajnagar block, Birbhum district.

In addition, the project undertakes academic activities in learning centres nested within the communities. The project started with an enrolment of 3,557 children in the centre and currently in the second year has 4,632 children enrolled. The learning centres re-started with small batches of 10-12 children, after the government lifted restrictions. A blended teaching method, including an online platform and direct teaching through house to house visits by the Sikshan Mitras, is being used. Worksheets are also being distributed through WhatsApp to the guardians having smart devices and to the homes of the student. Close coordination with the schools ensures that the government school teachers undertake home visits to encourage students to attend the learning centre.

XXVII. An initiative to support healthy ageing in rural communities

The recently commenced project aims to

implement a multi-pronged approach to build a conducive environment for the elderly to enhance the quality of life in Karauli and Mandrail Blocks' rural communities in Karauli district, Rajasthan. This 3-year programme will cover all the block panchayats reaching 212 and 77 villages in Karauli and Mandrail blocks, respectively. The project is expected to reach 5,000 beneficiaries directly through the elderly self-help group (ESHG) model, and 2,000 beneficiaries who have other mobility constraints will be linked with various government schemes for assistance. The activities undertaken in the project are to enhance livelihood opportunities for the elderly by mobilizing the elderly population into ESHGs to promote small savings and loan disbursements, training of the ESHGs on group management, leadership, book-keeping, accounting etc. Additionally, community-based micro-enterprises managed by the elderly will be promoted, and linkages with supply chains will also be ensured to run the enterprises sustainably. The members of the ESHGs will also be linked to the various welfare schemes and programs of the government. In an effort to create intergenerational linkages and utilise the experience of elderly, retired teachers and government employees will be trained to monitor and support education and health care services as well as resolve other local issues.

XXVIII. Bhu-Jaldhara: Integrated Watershed Programme

The project aims to address inadequate access to water for both drinking and irrigation purposes which are major concerns in the hilly areas of the drought-prone region of Karauli district (Karauli Block) Rajasthan.

The programme seeks to enhance natural resources in the form of water and soil of the selected area through community-led initiatives. It includes a participative initiative to inculcate management frameworks at the community level. It is designed to strengthen the institutional framework by capacitating village watershed development committees (VWDCs) in 60 Villages on Integrated Watershed Management. Groundwater recharge through appropriate soil and water conservation and rainwater harvesting measures will be undertaken. The programme envisages enhancing household income by 30 per cent by adopting good practices in agriculture, horticulture and livestock management and establishing market linkages. This

programme will reach around 4,500 farmers and more than 11,000 households in the community. Activities undertaken such as awareness campaign on water resulted in increased awareness of water conservation and water harvesting amongst the farmers and local community. The participatory rural appraisal, an exercise to map out the needs of the area involved the farmers and gave them an understanding into the geographical characteristics and the resource availability and utilization.

XXIX. Building Water Security for Green Rameswaram

The Project aims to build water security in Rameswaram Island (Ramanathapuram District) through various interventions focusing on improving water access, providing safe drinking water to the community and preventing water sources' contamination. In this regard, water resource mapping was conducted to identify sources of water on the island. The strategy is to increase the groundwater table for which soak pits are constructed for groundwater recharge. To provide safe drinking water to the people, water purification plants and rainwater harvesting structures have been built. To prevent water contamination by waste, waste to energy (biogas units) and waste to compost systems (vermicomposting units) were installed with, grey water managed through kitchen gardens.

So far, eight water purification plants have been installed on the Island – one in Thangachimadam, two in Pamban, and five in Rameswaram. Water demand survey and water testing of all the locations were completed. For operation and maintenance of the plants, a "PASUMAI GROUP" has been formed consisting of the community members who have created a protocol for operations and maintenance that includes contribution of a small maintenance fee from the community. 50 Rainwater harvesting structures have been constructed with 100 Kitchen Gardens developed in the community with ten vermicomposting units that have started to yield nutrient-rich composts. 20 individual and four school biogas units with 100 soak pits have also been created.

XXX. Comprehensive elder care programme for senior citizens

The 'Pilot Initiative on Comprehensive Elderly Care Programme' (CECP) intends to improve the health

outcomes of the elderly of Maharashtra through intervention in the Shahada block of Nandurbar district. This program will also consolidate and expand the work of systems strengthening at various health system levels to offer Comprehensive Elderly Care.

The project proposes the facilitation of comprehensive geriatric health services into the public health system through weekly geriatric clinics at Primary Health Centers (PHCs). Further, the programme undertakes digitalization of data from the geriatric clinic, training existing Accredited Social Health Activist (ASHA) workers, community health workers, nurses and doctors within the health system to offer elderly care, as a goal. Ensuring the medication's availability, counselling and physiotherapy services at primary levels and awareness and mobilization of the elderly to create demand and advocacy for elderly focused PHCs are part of the programme.

Under this project, four primary health centres were upgraded into wellness centres and 32 community health centres were set up. 20 health camps were conducted to screen non-communicable diseases among elders. Capacity building, sensitization and training of health workers was conducted. 47 ANMs, 202 ASHAs and 34 medical officers were trained in various aspects of geriatric health and geriatric assessment.

XXXI. Creating Enablers for ODF Sustainability

This project is a scale-up of the existing project in Navapur and now extends the programme objectives to scale up to the adjacent Nandurbar block for a term of three years.

The project will facilitate retrofitting of existing sanitary infrastructure, hand washing stations, drinking water facilities and other WASH infrastructure to ensure sustained improved hygiene and behaviour change in 252 government schools, 15 Ashramshalas and 12 Primary Healthcare facilities present in the entire block. It will further ensure sustained ODF activities in the 137 Gram Panchayats based on the Swachh Bharat Mission guidelines reaching more than 33,000 community members over three years. BCC activities in communities have been rolled out after the relaxation in lockdown restrictions, and 540 panchayat members have been oriented on the

project activities, both through online and offline modes. 16 Ratri Chaupals in 14 GPs have been conducted with a reach of around 1,180 people. Fifty-five (55) masons have been oriented on toilet technology, out of which 10 women masons were trained, especially on wastewater management technology, i.e. construction of soak pits, and 146 adolescent girls have been trained on menstrual hygiene management.

XXXII. Drinking Water Kiosks with Fluoride and Desalinity Remediation

In both Birbhum and Ramanathapuram, water quality in many locations within the districts is below the prescribed drinking water standards due to high fluoride levels (Birbhum) and salinity (Ramanathapuram) which makes it unfit for consumption, leading to multiple health problems. The project is based on Capacitive Deionization (CDI) technology to remove dissolved solids to produce clean drinking water that meets WHO standards. Digital water kiosks (DWK), an all-weather modular structure built exclusively for community drinking water, will also be part of the project. Under the project, 11 locations will be provided safe and healthy drinking water using CDI technology. It will also include activities to create awareness of safe drinking water and build community members' capacities to contribute and maintain the water kiosks for sustainability. Water committees in all the selected areas have been set up with the local governing bodies' involvement and protocols for the use, distribution and maintenance put in place. Work towards the construction of platforms has been completed, and the units will be shortly installed and commissioned.

XXXIII. Empower women and girls for improved maternal and child health and nutrition in Todabhim block of Karauli district

Set up a model health project for communities especially women to become aware and access health services in their locations by enhancing institutional service delivery mechanisms for uptake of maternal, child and adolescent health and nutrition (RMNCH+) services and build capacities of the community groups.

Programme activities will roll out in a phased manner; 40 villages in the first year (training SHGs of a current partner NGO), 70 villages in the second

year and 41 villages in the third year totalling all 151 villages of Todabhim block, Karauli district. Training and handholding of SHGs and Adolescent Groups (AGs) approximately 8,000 members of 800 SHGs will be undertaken.

The local health service delivery will be enhanced due to continuous training and handholding, and strengthening of services delivery at sub-centre, PHC, and CHC-health services like registration of pregnant women under the Janani Suraksha Yojna, four or more antenatal care (ANC) services under Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA), Iron and Folic Acid (IFA) tablets for pregnant women and adolescent girls (AG) under national iron plus initiative (NIPI), Rashtriya Bal Swasthya Karyakram (RBSK) and Rashtriya Kishore Swasthya Karyakram (RKSK), institutional delivery at PHC/CHC and full immunisation under Universal Immunization Programme (UIP) etc. A model telemedicine project will be implemented in the PHCs of Thodabhim block that will link the community, especially women, to specialised diagnosis and referral services. Large scale training of SHGs to encourage interaction with local health systems staff, peer group involvement in women's health issues, role of the panchayat and the Village Health Sanitation and Nutrition Committees (VHSNCs) will be undertaken.

XXXIV. Enabling last mile health care access through technology undertaken in Ramanathapuram district

The recently commenced project aims to introduce a comprehensive model of bringing together through the deployment of a digital technology system, affordable, preventive diagnostics for around 8,000 elders in Ramanathapuram, awareness of their health status and access to specialty diagnostic services through teleconsultation. The model is being built on the build-operate-capacitate-transfer method, enabling the local community health workers to learn, understand and operate the project after its transfer to the community. Further, the programme would refer patients to tertiary or super specialty for treatment, through PHCs and district hospitals. Selected Primary Healthcare Centres (PHC) will be facilitated with the requisite infrastructure along with one operator, two doctors (General Practitioners) and a project coordinator. Doctors attached to the district hospital will consult

locally at the PHC, provide teleconsultation services to the patients connected by ANM's and conduct periodic camps to increase the model's adoption among the elderly population. The baseline has been completed and all administrative permissions are granted from the state health department and the district health department.

XXXV. EQUIP-Mandapam Block (Education Quality Improvement Project)

The EQUIP (Education Quality Improvement) project, undertaken for 6,363 children in 91 primary schools, ten middle schools, and 90 out-of-school learning centres in the Mandapam block of Ramanathapuram district Tamil Nadu has completed two years of intervention. This project aims to ensure essential competencies in rural underprivileged students of grades 3-5 in Maths, English and Tamil and for grades 6-8 in basic skills in Math and English through both in school and after school interventions focusing on children lagging in basic skills. Learning festivals in more than 15 schools have been organised, and active participation from parents and the local community. Ninety (90) expert and local teachers (Sikshan Mitras) and 35 expert trainers have been trained in innovative pedagogy and technology-enabled learning and the creation of low-cost teacher learning materials to make classes more effective. For middle schools, projector and tablet-based fraction courses for students were undertaken. Students learnt fraction lessons through pre-loaded tablets and practiced Math problems offline using tablets. Skill fest events were conducted in schools, and each Gram Panchayat, newly elected panchayat leaders, and education officials are invited to participate in school children's learning and parents to maximise community participation in addition to spoken English modules.

XXXVI. EQUIP Thiruppullani Block (Education Quality Improvement Project)

This project is a scale-up of the existing education programme EQUIP, implemented in Mandapam Block to Thiruppullani Block, which aims to provide quality primary education to 1,430 children from disadvantaged sections. Interventions in 50 government schools and 50 out of school centres will be established in 50 villages (one centre in each village) which a Sikshan Mitra will manage; a trained youth from the community. The project aims

to create a sustainable model to improve education quality in rural underprivileged children by providing attractive learning materials, including learning videos and inputs to ensure that those in grades 3-5 achieve basic competencies in Math, English and Tamil and children in grades 6, 7, 8 achieve basic skills in Math and English. Video-based math sessions and science experiment sessions conducted twice a month will induce curiosity in children.

XXXVII. Everyone Forever – Water Services and Systems Strengthening

The projects primary objective is to improve water facilities in Rajnagar and Khoyrasol Block of Birbhum district for Anganwadi centres, schools, and communities. The project has three major components- ensure availability and functionality of water infrastructure in schools, Anganwadis and communities; enhance awareness, knowledge and foster behavioural change towards best practices of WASH among students, teachers, government officials and sanitation workers; build and improve systems around operations and maintenance. The project has completed its second year, and a total of 2,545 students have been reached in 30 schools and trained on activities such as good handwashing practices, personal health and hygiene, etc. 7,071 community people have benefitted through improvement in water facilities in 40 community water points, 1,477 individuals benefitted by up-gradation of water infrastructure in Anganwadi Centres; 10 Village Water Sanitation Committees (VWSC) strengthened and 30 Jalbandhus trained. 10 VWWSSP promoted in 10 Gram Panchayats. Active participation was observed with the Gram Panchayat and Block level contributing ₹ 37 lakhs and communities are contributing ₹ 4.5 lakhs towards certain activities of the project.

XXXVIII. Foundational Learning Enhancement in Government Schools

The project envisages improving and ensuring the quality of teaching-learning processes in primary grades in 100 schools in the Hindaun block of Karauli. This will be achieved by enhancing the literacy and numeracy competencies of children from grade 1-2 through improved quality of classroom teaching-learning processes, providing a print-rich learning environment and

building foundational competencies of language and mathematics of students in grades 3 to 5 through structured remedial inputs, which offer individualised instruction to children. The three-year project will build schoolteachers' capacities in the 100 schools to ensure that the improved interventions continue in a sustained manner. In the first year, 50 schools were identified with the target to reach 4,500 children, but due to COVID-19 related school closures, only 1,477 children have benefitted from the project intervention activities.

XXXIX. Gram Samruddhi

“Gram Samruddhi” project is initiated in Dhadgaon and Akkalkuwa block of Nandurbar district of Maharashtra. The project aims to reach marginalised and tribal communities in drought-prone areas of 30 villages in Akkalkuwa and Dhadgaon blocks in Maharashtra's Nandurbar district. Under the programme, indigenous practices are promoted to enhance the natural resources of the selected area through community initiatives and to develop a management system that is more sustainable and equitable. Alternative income generation activities will form part of project activities through crop diversification and the development of market linkages to sell agricultural produce. Capacity building and strengthening 2,000 farmers and self-help groups (SHGs) will be undertaken to sustain the initiatives.

Farmers have undertaken cultivation with the pure seed of local species of maize, barnyard millet and local garlic. The plantation drive was undertaken with community participation to restore tree cover on the barren hills in selected villages of Dhadgaon block and Akkalkuwa block, and the forest conservation committees at these villages were trained on taking care of the saplings. Six thousand saplings of Mahua (*Madhuca longifolia*) were planted in Kharwad, Harankhuri and Belakund. With the help of seed/seedling kits perennial kitchen gardens by the SHGs were set up and the Devi Mahila Bachat Gat (SHG) was trained for undertaking the sales and marketing of the agricultural produce and has begun activities for procurement and sale of custard apple and vegetables. Under the convergence with various stakeholders, pesticides and saplings worth ₹ 2.7 lakh were contributed by the community and leveraged from government schemes.

XL. Gyanodaya: Block Educational Transformation, Karauli (B.E.T-Karauli)

The recently commenced project “Gyanodaya” is expected to impact 9,000 students directly in Karauli block of Karauli district. It will focus on improving children’s learning experience with inputs on thematic learning, life skills and well-being. Each school will have a centre of excellence that will be used to demonstrate and create teaching-learning materials. A resource person/ Sikshan Mitra will help the teachers build their capacities in innovative pedagogy to increase students’ learning levels. In this programme, the teacher’s ability to adopt a newer pedagogy to realign with the children’s emerging needs will be promoted. The teachers will have developed practices to deal with the children’s differential learning needs and support them in their well-being. The focus will also be to enhance the school’s overall governance, which will include working with the community to increase their overall participation in the running of the school. Additionally, the programme will aim to reduce the drop-out rate and increase attendance through the community and parents’ mobilisation. During school closure due to COVID, learning activities were initiated in the community through Sikshan Mitras, teaching-learning material provided to the children, and regular assessments conducted.

XLI. Improving Language and Numeracy skills (Mandrail)

This project is currently ongoing in 123 villages of Mandrail block of Karauli district and aims to upgrade learning outcomes for 8,138 elementary school students of the Government’s 132 Primary Schools (PS) and Upper Primary Schools (UPS).

Under the project, the cluster coordinators engage with the teachers, parents, communities and Panchayati raj representatives to create a positive learning atmosphere in schools and at homes. On the other hand, the Shikshan Mitras-trained local youth, set-up and manage remedial classrooms that focus on improving learning levels of children who have not attained the requisite competencies. The academic support to the Shikshan Mitras is provided regularly by the cluster coordinators and project officers.

Due to COVID and school closure, the program

interventions during the first year have focused on providing remedial support to about 1,805 students of 32 schools through 16 trained Shikshan Mitras through community centres.

XLII. Jaldhara- Integrated Wash, Sanitation and hygiene interventions

This project aims to provide safe and clean drinking water, promote an open defecation free environment, motivate communities to use their individual household latrine (IHHL), improve WASH facilities in schools and inculcate improved hygiene practices among school children, adolescent girls and women in Akkalkuwa and Dhadgaon block of Nandurbar District.

The implementation of the drinking water supply undertaken through the village water and sanitation committee: (VWSC) that are trained and aware of the Swachh Bharat Mission, Jal Jeevan Mission and other schemes, as well as its roles and responsibilities. The scheme involves the leverage of 70% fund from the government, but significant activities were halted due to the COVID pandemic. In 35 habitations, awareness about open defecation was undertaken, and in 17 hamlets, the toilet retrofitting work was initiated. Seventy-eight toilets are retrofitted and made functional. The MHM modules were initiated with 5,230 women & adolescent girls, 17 community resource persons were trained to develop the community members on MHM.

XLIII. Lifeline express- ACT: Impact Mobile Medical Service through Impact India Foundation (IIF) in Birbhum district

In this recently commenced project, a train equipped with medical devices, surgery equipment’s, doctors, staff etc., is parked for 21 days at one selected station/location. On the dates designated for screening, doctors in the out-patient department examine all patients to identify those needing surgery. Those who may not benefit from surgery are tested for assistive medical devices such as spectacles, hearing aids, callipers etc., and comprehensive service will be given to identified beneficiaries.

This project will cover about 8,000 beneficiaries for blindness – correction of refractive errors and cataracts through surgery, especially in the elderly,

deafness – correction through surgery and provision of auditory aids, correction of cleft lips, correction of club foot (Congenital Talipes Equinovarus), detection and awareness creation on cervical, breast & oral cancer and awareness creation on Oral health & hygiene, Epilepsy and risk factors for stroke like diabetes & hypertension.

XLIV. Magic English Vaachan: Improving English proficiency of students in Zilla Panchayat Primary Schools

The project's objective is to improve the student's English proficiency from 424 Zilla Parishad primary schools in the Nandurbar district, Maharashtra reaching 36,000 students and building capacities of 1,600 teachers.

The programme delivers high levels of proficiency in English through an enjoyable process that simulates the way children naturally learn the mother tongue or other languages from the environment. The programme is a three-level/ three-year immersive English language with each level comprising of 72 sessions of 40 minutes each. Teachers are equipped with high-quality printed and audio-visual content and infrastructure and teacher manuals that provide detailed session-by-session usage of these materials in the classroom.

The programme is designed as a classroom-based programme, but the school closure due to COVID affected the implementation of the programme in schools. Through a periodic review of the COVID 19 scenario at local and regional levels, it was decided to make changes in the programme delivery and capacity building support models to adapt to the challenges.

The Magic English Vaachan application which was launched during the pandemic as a response to the closure of schools, will help develop the English language skills of 36,000 government school children in the Nandurbar district. Available to 1,600 teachers in 424 ZP schools in the first phase of the launch, the application enables teachers to support children during the pandemic in community-based learning centres and set up mini-schools during the pandemic. Teachers have started using the Magic English Vaachan application during their community visits and are conducting sessions in the mini-schools or learning centres by using the application.

XLV. National Initiative for Skill Training on Dementia and Mental Health for Caregivers of Older Persons

The recently commenced project aims to create a cadre of trained professionals engaged in caring for the elderly, especially those suffering from mental ailments such as Dementia, Alzheimer's, Parkinson's etc. and provide, strengthen, train, up skill, enhance the quality of care and promote employment opportunities in the areas of geriatric care. The objective of the project is to develop a standardised curriculum for skill training in geriatric mental health and dementia care for the caregivers of older persons, implement the skill training for caregivers of older persons through a hybrid training program (combined in-person and tele-training) using the structured curriculum, evaluate the impact of the training program. The project will also conduct sensitization and awareness programs for promoting geriatric care as a professional employment opportunity and entrepreneurship among the target population and develop a national model for the training of caregivers of older persons in geriatric mental health and dementia care. The project will recruit and train 500-600 geriatric care assistants in one year working in either old age homes or home-based care providing organizations of Ramanathapuram district, Tamil Nadu. Post the training, online mentoring and support will be provided for all the assistants over three months. Partnership with old age homes, geriatric care service providers will be considered for placement and employment for the students.

XLVI. ODF Sapotra

The Water, Sanitation and Hygiene (WASH) project in the Sapotra block of Karauli district implemented in 167 villages across 34 Panchayat of Sapotra block of Karauli district. During the three-year project cycle, the aim is to bring about behavioural change and improve WASH facilities' uptake among the 5,000 poorest households and to reach out to 9,609 students of 175 schools through WASH infrastructure improvement and behaviour change communication interventions.

The major components of the project are to catalyse the community for sustainable open defecation free (ODF) environment, strengthen institutions such as school management committees, village health, sanitation and nutrition committees as well as children's cabinets to improve systems around

operations and maintenance. The project initiated specific action on the importance of WASH in health institutions, including medical and paramedical staff's orientation on the need for functional water, sanitation, and hygiene facilities at the health centre. This orientation helped the team of PHCs to plan the construction, operation and maintenance of WASH facilities. All the five PHCs in the project area have been covered under the project.

Anganwadi workers and helpers from all 148 AWCs of Sapotra block were oriented to safe water, sanitation, and hygiene practice, particularly on ensuring hygienic meals for pre-school children and handwashing critical times. 170 child WASH cabinets were formed which performed as peer educators and led the important days such as hand washing days, world water days, environment days, etc. Also, special emphasis on food hygiene was ensured for mid-day meal (MDM) for the students. The project had awareness activities at a village and block level around messages of WASH, social distancing, face cover during COVID, along with training on pit emptying and faecal sludge management etc. Through home visits, beneficiaries were made aware of and encouraged to use toilets at the household level. This campaign has reached 30,348 HHs (151,740 people) in all 167 villages altogether through IEC activities.

XLVII. ODF sustainability in Nandurbar

This project focuses on sustainable Open Defecation Free (ODF) communities, WASH compliant institutions such as Anganwadis, schools, Ashramshalas, and primary health centres of Nandurbar district. The intervention covers 114 Gram Panchayats (GPs) in the Navapur block. The project looks into three major components, i.e. retrofitting of WASH infrastructure in schools and Anganwadis, enhanced awareness, knowledge and behaviour change on WASH aspects in schools, Anganwadis, PHCs and communities, and build or improve systems around operations and maintenance.

Currently, the project is in its second year, and more than 15,671 community members from 45 GPs and more than 9,400 students, 4,168 girls and 5,232 boys have been reached out. The various WASH interventions in the community include ratri chaupals, the orientation of WASH champions

and youths, frontline workers, health workers and masons, as well as sessions on personal hygiene and menstrual hygiene management. Around 50,000 people participated in an online handwashing session on the global handwashing day, around 2,000 people participated on the occasion of World Toilet Day via e- Marathon. Retrofitting, renovation and repair of water and sanitation facilities in 10 schools have been completed, including handwashing stations, drinking water, and retrofitting of sanitation blocks. As a part of innovation, sustainable and safe faecal sludge management with economic incentives, toilet linked biogas is being provided to a few households having livestock in Navali village of Nandurbar block. Also, a total of ₹ 27 lakhs have been leveraged from the government towards the programme implementation activities. A total amount of ₹ 1 lakh was leveraged from schools and Anganwadis. For operations and maintenance, 60 schools have been surveyed, and 11 Gram Panchayats studied for solid liquid waste management solutions.

XLVIII. Promoting Sustainability of WASH facilities and child centered governance in schools

The project is being implemented in 37 schools of Rameswaram Island in the Ramanathapuram district. The programme aims to provide functional WASH facilities in the school and awareness of good health and hygiene practices.

The following repair and retrofitting were completed: 21 toilets and urinals, 16 water purifiers, 12 electrical incinerators for safe, sanitary waste disposal, 15 solid waste management pits, five drinking water points, 3 ramp provisions and 22 new handwash stations. 20 Rainwater Harvesting systems were also established. All the 37 schools, Anganwadi centres, PHCs and other government institutions were provided with IEC messages on WASH. Custom printed tiles of a 6 sft area depicting handwash techniques were also installed in selected handwash stations.

XLIX. Promotion of Thiruppullani as Swachh and Swasth Block

The project is currently in its second year of implementation and renovation and retrofitting of 42 schools, 35 Anganwadis and 4 PHCs were completed in the Thiruppullani block of Ramanathapuram district. Keeping in mind the

lockdown restrictions and social distancing norms due to the COVID 19 pandemic, digital media such as telephone calls, and other online platforms were used to implement some awareness activities. All school and anganwadi behaviour change activities were completed, including formation and training of all stakeholders including school WATSAN committees, teachers training, MDM workers training etc. Community construction works such as the renovation of open wells, construction of new wells and mini water stations have commenced in the past quarter.

L. Promotion of Swachh and Swasth in Hindaun Block

This newly commenced project is a scale-up of the existing programme being implemented in the Thiruppullani block of Ramanathapuram district to Hindaun Block of Karauli district of Rajasthan. It aims to facilitate implementation of sanitation and safe drinking water in selected Schools, Anganwadis and Public Health Centres through retrofitting and repair of sanitation facilities, capacity building of Teachers/Students/Anganwadi workers/PHC staff/Water and Sanitation (WATSAN) Committees; behaviour change communication with children and community members and linkages with various government schemes for tapping resources for operations and maintenance in Hindaun Block. The project would ensure hardware and software support for sanitation facilities in schools, Anganwadis and PHCs, and behaviour change communication among students, teachers, Anganwadi workers, gram panchayats, PHC staff, and Village Water and Sanitation (WATSAN) committees. The project commenced in June 2020, and many of its activities could not be accomplished due to COVID 19 situation. However, some activities such as baseline survey and KAP study were completed.

LI. Sahaj Path- Bridging learning gaps

This project aims to improve the quality of education in primary schools (grades 1 to 4) of Dubrajpur block in Birbhum district, West Bengal, over three years by creating a group of teachers capable of using alternative pedagogy to improve the learning outcomes of students. The programme will work in 170 schools for intervention with a cadre of trained Shikshan Mitras who will be attached to each government school to conduct remedial classes for children below grade-appropriate levels and

teacher training of schoolteachers. The project covered 10 Gram panchayats with 146 school and 8,000 children. Under the program, a baseline and annual assessment for 7,856 children were conducted. Due to COVID and school closure, online classes were initiated using a mixed outreach process which included phone calls, social media uploads and messages, and worksheet distribution to 3,800 children. In addition, where feasible, community-based classes in the vicinity of the 144 identified schools were initiated with the help of local schoolteachers and the support of the Shikshan Mitras.

LII. Samarthya: Improving the Quality of Life of the Senior Citizens

The project focuses on the elderly in Nandurbar, Navapur, Akkalkuwa and Dhadgaon blocks of Nandurbar district in Maharashtra. It aims to empower rural senior citizens through health interventions, financial and digital literacy, capacity building in need-based professional activities with market linkages to make them socially and financially independent in the Nandurbar district. The project in the second year of implementation has reached 7,227 senior citizens through the formation of 480 Elderly Self-Help Groups (out of 480 total groups, 366 are Self Help Groups and 114 are Social Homogeneous Groups) providing healthcare coverage to the project beneficiaries through the mobile medical unit, convergence with Govt. schemes, knee brace distribution, cataract operations, social and financial inclusion, capacity building and livelihood promotion interventions. As part of convergence, processing of pension application forms of 480 pensioners was submitted, and out of which 134 older adults have started receiving the pension. 661 Pradhan Mantri Suraksha Bima Yojana beneficiaries' forms were submitted for insurance cover. 67% of the eligible beneficiaries got BPL Cards, 76% got Age Certificates, and 4.5% got Income Certificates. The focus is on senior citizens residing in rural areas and helping them with their social, emotional and financial empowerment and providing them with a sustainable option for livelihood through self-help collectives. As part of livelihood activities, chemical-free chia and quinoa crops have been promoted with selected beneficiaries on a pilot basis, and the product's market linkage is being done. Beneficiaries fetched

a 44 % increase in income over traditional crops (Wheat). The sowing area in the second year has increased from 9.4 acres to more than 100 Acres. On the health interventions front, 180 beneficiaries were distributed knee braces in Nandurbar. Apart from the distribution of knee braces, 64 special osteoarthritis OPDs were completed for the elderly in association with government hospitals, with a few undergoing cataract surgeries to correct their vision.

LIII. **Samrakshana**

This project's direct beneficiaries are 3,000 elders (age group 55 & above) and 8,000 below 55 years of age of Ramanathapuram district. The project undertakes the formation of Elders Self-Help Groups in the project area for social and financial inclusion of the elderly, linking them with appropriate Govt. entitlements, like bank savings A/c opening, PMSBY, Widow Pension Scheme, Old Age Pension, etc. promotion of individual livelihood of the elders supporting through seed capital, awareness training on digital and financial literacy, rendering health services like health checkups/screening, awareness training on health and wellness and operating a mobile medical unit to the village doorsteps to reach the unreached elders. Due to the Covid-19 pandemic situation, a few of the target activities were not completed. One hundred forty elders were enrolled into the Govt. welfare schemes. All the members of ESHGs are obtaining the benefit of loan facilities from formal financial institutions. 4,356 persons received health checkup, 146 elders have been registered for electronic health records, 252 elders were given yoga training. Collaboration and convergence with district administration, health department, Department of Social Welfare, District Rural Development Agency (DRDA), Department of Local Self-Government, Department of Fisheries, Banks and formal financial institutions and other local partners were also established.

LIV. **Scale Up of Foundation Learning Enhancement in Government Schools Undertaken**

The three year project is a scale-up of the programme being implemented in Hindaun block, Karauli district. The project will ensure the quality of teaching-learning processes in primary grades in 200 schools of Todabhim Block through- enhancing the literacy and numeracy competencies of grade 1-5 children.

All 200 schools provided with teaching-learning materials and stationery. For grade 3-5 children, a remedial workbook of Hindi and Mathematics will be provided. As per the availability of library resources by SMSA/Govt., the existing library in each school will be strengthened. The two thematic experts on Mathematics and Language (Hindi) will provide handholding support to the school facilitators and train the government teachers in the project schools on improved teaching-learning methodologies. Following will be the content of the training- 1) conceptual understanding of the of Hindi and Mathematics syllabus of grade I-V; 2) perspective building sessions/discussions to understand the nature and objective of Hindi and Mathematics, sensitization towards social and gender-related issues which impact teaching and learning; 3) conducting remedial teaching-learning processes and how to use the teaching-learning resource materials optimally.

LV. **Serving and Enriching Education for tribal hamlets in Nandurbar district**

The project aims to provide improved access and quality of primary education to the children from disadvantaged tribal communities from 46 villages in the Talode block of Nandurbar district in Maharashtra.

The trained cadre of Sikshan Mitras, educated youth mentors from the respective project villages anchor community embedded 'Sikshan Ranjan Kendras' (SRKs) to bring learning to children's doorstep. Through 92 'Sikshan Ranjan Kendras', in the first year, the project interventions have reached 6,146 stakeholders, including 2,772 underprivileged tribal children, their parents (2,772), 57 Z.P. school teachers, 49 SMC members, 506 parents' apex body members.

The unique feature of Sikshan Ranjan Kendras is using special pedagogical methods of edutainment, activity-based learning and personality development through the creative medium of puppet shows, street plays, games, etc. to improve learning outcomes, improving WASH behaviour and life skills development in children. The learning is further enriched by inputs on resource literacy & enrichment, developing a cadre of 'Bal-Panchayats', documenting 'Bal-Pustikas' (Children's Books) & providing avenues for holistic development of tribal

children. There is a keen focus on the continuing education of girls' and differently abled children by the SRKs.

Some key innovations include- (BHASHA-SETU: Bilingual Teaching Learning Material (TLM) is developed that uses local tribal dialect & Marathi to simplify the learning process for young tribal children, need-based support by Sikshan Mitras to the government machinery to carry out government-supported COVID-19 related work in their respective villages as 'Community Volunteers & Gram Aarogya Suraksha Dal Members'.

LVI. Sikshan

The project aims at improving literacy & numeracy skills of 9,609 school children of 175 primary and upper primary classes through integrated school development, remedial classes and capacity building for teachers. The project implemented in the Sapotra block of the Karauli district benefits 9,609 school students, 531 teachers, and 2,752 School Management Committee (SMC) members.

The project's backbone is the 57 trained Shikshan Mitras or local youth who have contributed significantly by providing remedial academic support to around 5,000 weak children studying in 120 government schools. They were responsible for teaching Language and Math to those children using child-friendly pedagogy and teaching-learning material.

Similarly, the child cabinets were formed in all the 175 schools wherein during the second year, 360 leaders have been trained on their roles and responsibilities, life skills and gender-sensitive environment.

The programme interventions of the second year, i.e. July 2019 - June 2020, have led to an increase in students' learning levels by 23%. Approximately 2,051 out-of-school children were retained (1,086 girls and 965 boys) in schools. ₹ 6,00,000/- was leveraged from the government and community to improve school facilities through SMCs.

LVII. Shiksha Deep Prkalpa

This three-year project plans to create sustainable community-led Supplementary Learning Centers (SLCs) to ensure equity and quality in education for primary school children within the Khoyrasol block in Birbhum District, West Bengal. The project focuses

primarily on improving academic learning levels through Sikshan Mitras (SMs) of primary school children in the 10 Gram Panchayats of Khoyrasol. SLCs working in an after-school model offers remedial education in Language and Math, library-based literacy activities and a series of community-based educational events to emphasise the importance of community participation in a child's schooling and education. 1,968 students were reached through home-based and phone-based support. Staff training modules were converted to a digital medium to conduct blended digital training for supervisors and CLCCs- a mix of synchronous and asynchronous methods. The training was on English Language Teaching (ELT) and Mathematics. Learning support in the Centres started functioning in July and by November, all 65 CLCs were open and functioning following all the protocols in place. Children were divided into two shifts –morning and afternoon to ensure social distance. Classes 3 & 4 in the morning shift and classes 1 & 2 in the afternoon shift.

LVIII. Shiksha Setu

The project was started in 35 Ashramshalas (28 in Nandurbar and 7 in Taloda blocks) out of 74 Ashramshalas in the Nandurbar district for setting up labs. This was done through a scoping process, which included an analysis of the school's readiness for the program. 35 labs were set up in 35 Ashramshalas. It also followed up with schools to procure students' data to create their respective IDs and set up a virtual support system for Ashramshalas in Nandurbar.

In light of the ongoing COVID and closure of schools, an Application (App) was launched online that could be accessed through a link over a smartphone. The objective was to enable Ashramshala students with smartphones and an active internet connection to learn at home during the pandemic. Since the launch of the online platform, the focus is on maximizing the reach of the initiative and ensure that students could use Math, Marathi and English as a second language (ESL) online at home through this app. 10 virtual teacher training sessions were conducted over online platforms, for the teachers of Ashramshalas in Nandurbar. These virtual sessions facilitated interactions with various government officials such as Assistant Project Officers (APOs) and Extension Officer of ITDP, Nandurbar, and ITDP

Taloda, Nandurbar. The teacher training primarily aimed at providing an overview of project Shiksha Setu to headteachers and teachers of all the 35 government Ashramshalas.

LIX. Skill Mitra and Udyog Mitra Model for Livelihood

Due to the current pandemic, the first year of implementation of the skill development program in Ramanathapuram was delayed. Post lockdown, the project initiated the work on the ground. Rapid Assessment Survey was carried out to understand the district profile, youth demography, literacy rate, resources available, economic status of the district, employment opportunities, the composition of workers in major sectors, and skilling courses offered by government and private institutions. Based on the Rapid Assessment Survey, 15 Trades were identified for standardisation of the curriculum for Udyog Mitra intervention, and work is in progress on finalising the curriculum content. The project team visited the Vocational Training Centres run by Institutions in the District to understand & compile the information on various courses being offered with residential and non-residential facilities. Mobilisation of youths for skilling has begun and based on the aspiration and counselling; the youths will be admitted to relevant courses. The technology platform will be used to assess the youth's aspiration, and counselling will be carried out accordingly. One counselling centre was operationalised in Thirupullani Block, while the one in Mandapam is under progress.

LX. Student Teacher Empowerment Programme-PLUS

This project is in its first year of intervention. It aims to provide an enhanced learning environment to students in all government primary schools in Ramanathapuram Educational Block of Ramanathapuram district, Tamil Nadu.

The program has deployed 38 Sikshan Mitra (resource persons) to cover all 69 primary schools in the district. The program provides 2,780 students of grades 1- 5 with quality education intervention and 169 schoolteachers' capacity building. The program aims to improve the foundational skills required in a child, i.e., literacy and numeracy; make schooling at primary levels more exciting and relevant through life skill sessions and empower teachers to ensure the program's sustainability in the long-run.

Unveiling a series of significant precautionary measures against coronavirus, the Tamil Nadu government in March 2020 directed the closure of all kindergarten, primary and middle schools. During this lockdown period, the program has engaged the beneficiaries in various learning activities. Sikshan Mitras have conducted daily classes for 18% (501 out of 2,780) of students through WhatsApp and other online tools, and 27% (750 out of 2,780) of students through Community Learning Space (CLS) classes.

LXI. Sustainable Community ODF (Mandapam Block)

This project is in the second year of the Mandapam program and implemented through WASHMAN (Water, Sanitation, Personal Hygiene, Menstrual Hygiene Management, and Nutrition) committees formed, a voluntary group to monitor, execute the field level implementation of the project. In Mandapam Block, 25 panchayats are covered to promote Sustainable Community ODF by involving 500 WASHMAN volunteers. The project aims to ensure clean village initiatives through hygiene education to the villagers and students through a comprehensive WASHMAN approach and retrofitting the IWSC, IHHL, Anganwadi and school toilets to declare the block as a sustainable community ODF. The programme achieved renovation of 535 hygiene structures in individual households, government schools, Anganwadis and Integrated Women Sanitary Complexes and benefited 6,362 people. Twenty villages under the project intervention were declared as role model villages, and ₹ 1,83,283 was leveraged towards the renovation of IHHLs from the community, ₹ 74,700 from school and panchayat leveraged to renovate school toilets and ₹ 1,60,000 leveraged for the renovation of IWSC.

LXII. Sustainable Community ODF Program (Ramanathapuram Block)

This project is a scale-up of the Mandapam program and implemented through the WASHMAN committee (Water, Sanitation, Personal Hygiene, Menstrual Hygiene Management, and Nutrition) a voluntary committee set up to monitor, execute the field level implementation of the project. In Mandapam Block, 28 panchayats are covered to promote Sustainable Community ODF by involving 560 WASHMAN volunteers. The objective of the programme is to ensure clean village initiatives

through hygiene education to the villagers and students through a comprehensive WASHMAN approach, promote WASHMAN Volunteers in the intervention areas for the sustainability of the project and retrofit / renovate the IWSC, IHHL, Anganwadi, School toilets to declare the block as sustainable community ODF. The project retrofitted 940 Infrastructure such as 905 Individual Household Toilets, 20 Government School Toilets, 10 Anganwadi Toilets and 05 Integrated Women Sanitary Complex. A total of 8,405 people, including children were benefitted from the functional WASH infrastructure. 9,500 people are newly using first-time toilets after retrofitting of IHHLs/ IWSCs, ten villages were declared role model villages wherein 100% of people were using the sanitation facilities, and robust WASHMAN committees have been formed in all 25 Panchayats for sustainability.

LXIII. Sustainable Environment and Integrated Livelihoods through soil & water Conservation and Improving Soil Health

The programme aims to address inadequate access to water for both drinking and irrigation purposes which are significant concerns in the hilly areas of Sapotra and Mandrail blocks of Karauli district, Rajasthan.

The initiative works on community led management of natural resources in the form of water and soil of selected areas through community-led initiatives and includes a participative initiative to inculcate management frameworks to ensure sustainability and equity at the community level. It is designed to strengthen the institutional framework by capacitating Village Watershed Development Committees (VWDCs) in 60 Villages on Integrated Watershed Management through a participatory planning process for sustainability. It is also planned to augment groundwater recharge through appropriate soil and water conservation and rainwater harvesting measures. The programme envisages enhancing household income by 30 per cent by adopting good practices in agriculture, horticulture and livestock management and establishing market linkages. This programme will aim to reach 4,500 farmers and more than 11,000 households in the community. The awareness campaign on water resulted in an increase in awareness of water conservation and water harvesting amongst the farmers and the local community.

LXIV. SCORE (Sustainable Conservation of Water Resources through Enabling)

The project SCORE Community-led Development promotes community-led conservation and resource management in the Ramanathapuram district's drought-prone areas. In three years, the project aims to renovate 30 irrigation tanks, 40 village ponds, 50 farm ponds, plant 5,000 saplings and promote improved agriculture practices.

Within a year, the project has demonstrated community-invested development and has created a ground-level impact. The local small landholding farmers, who were organised into 23 associations in 23 villages could secure water for agriculture, food for the farmers, employment for the landless, and water for livestock. As part of capacity building, 21 training programmes were organised with the participation of 581 villagers. The associations have renovated eight irrigation tanks and four village ponds. Six farm ponds were established to harvest rainwater and achieve water security. About 2,000 tree saplings of fruit, fodder, timber and shadow values were planted to build a greener environment and sustain farmer income. Inland fisheries were introduced in two water bodies. Farmers were supported to remove prosopis on 40 acres, introduce field bund on 75 acres and breed soil by applying farmyard manure/sheep penning on forty (40). Community-led and invested development was demonstrated at the village level in the water-starved areas. Communities have invested ₹ 12,93,875 for the renovation of the tank, Oorani, farm pond and land development activities led by community participation.

LXV. Solid and Liquid Waste Management Strategy and Plan for Talode (Pilot Town), and implementation of SLWM Interventions to help the town achieve its goal of becoming ODF++

The recently commenced project aims to create a comprehensive strategy for the waste management, both solid and liquid, designed in coordination with the local district administration. The project will prepare a solid and liquid waste management strategy, implementation plan and setup a Faecal Sludge Treatment Plant (FSTP) as well as a decentralised wastewater treatment system (DEWATS). Development of a robust O&M plan with the participation of the community and local administration, training of ULB officials to equip

them to operate the FSTP, conduct awareness generation campaigns for community and local stakeholders. It will further institute a mechanism of community ownership to ensure operation & maintenance of entire set-up.

LXVI. Sustainable livelihood by way of providing construction Skill training and employment / self-employment

The program aims at improving the livelihood of rural households in Nandurbar district by providing vocational training empowering around 600 youth over 36 months through a one month residential skill development training in selected market-driven courses in construction industries such as rural masonry, painting, plumbing, electrician and others. Due to large number of construction activities in the district, there are ample local employment opportunities for these workers, even though most of these jobs would be with smaller construction companies /unorganised players or self-employment.

LXVII. “Suswathya” Strengthening health and nutrition services for women, children and adolescents in Khoyrasol block of Birbhum district

This recently commenced project will adopt a life cycle approach to bring about a change in the health and nutrition scenario in around 130 villages with 15,000 beneficiaries of Khoyrasol block, Birbhum district, West Bengal, by aiming at ensuring full antenatal care for pregnant women, reducing anaemia, identification and follow up of high-risk pregnancies, post-natal care, and complete child immunizations. The major project activities include a community-based malnutrition management approach to deal with child malnutrition by screening, monitoring, tracking to ensure follow-up at ICDS centres, regularising growth monitoring, referral of severe cases to nutritional rehabilitation clinics, promoting Infant and Young Child Feeding (IYCF) best practices. It also includes maternal health & nutrition promotion through ensuring gestational weight gain and improving BMI through spot feeding of supplementary nutrition to pregnant women at ICDS centres. High-risk pregnancies with multiple categories of high risk or severe malnutrition will be referred to Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA) clinics held every month at rural hospitals/sub-

divisional hospitals for screening of high-risk cases. Monitoring and tracking vulnerable women, children, and adolescents through home visits by field teams and community mobilization, demand generation and accountability for services created by engagement of PRI and SHG representatives are essential aspects of the programme.

LXVIII. Swaccho – Nirapad Parivesh (Clean and Safe Environment) Rajnagar block of Bhirbhum District

This project aims to retrofit existing WASH infrastructure to ensure sustained improved hygiene and behaviour change among children and stakeholders in Anganwadi centres, primary schools/ High schools, primary health centres and establishing an effective O&M system in Rajnagar block, Birbhum district. Currently, the project which is in the third year, a total of 1,469 students (64% of girls) and 3,258 mothers have been reached in 19 schools and 60 AWCs respectively and trained on handwashing techniques, personal health and hygiene etc.

WASH interventions include retrofitting, renovation and repair of sanitation facilities to provide schools with improved WASH facilities, including behavioural change sessions. The intervention follows a peer group strategy where child cabinets and mothers committee were strengthened in 21 schools and 60 AWCs. A total of 392 students, (52% girls) and 881 mothers are part of these child cabinets who have been provided with training on health and hygiene, handwashing with soaps, personal hygiene, leadership, and peer learning strategies.

Also, 106 teachers have been trained on WASH practices, including 325 School Management Committee members. 37 Government representatives at Block and Panchayat level have been sensitised about the importance of WASH in school and community. 134 Anganwadi Workers have attended sessions on Operation and Maintenance for the sustainability of Anganwadi toilets. In addition to that, 106 Village Water Sanitation Committee (VWSC) members and 129 Village Health Sanitation and Nutrition Committee (VHSNC) were oriented on their roles and responsibilities to undertake Water and Sanitation initiatives in their respective areas. Under the project intervention, 38 WASH toilets, 17 handwashing stations, and 53 urinals have been repaired.

LXIX. Swaccho – Nirapad Parivesh (Clean and Safe Environment) Khoyrasol block of Birbhum district

This project is a scale-up of the existing programme implemented in the Rajnagar block of Birbhum district. It aims to facilitate sanitation and safe drinking water facilities in 146 Zila Parishad schools, 208 anganwadis and Gram Panchayats of the Khoyrasol block through retrofitting and repair of sanitation facilities. Capacity building of teachers, students, Gram Panchayats, Village Water and Sanitation Committees, and anganwadi workers will also ensure sustainability by involving all the stakeholders. Community triggering and hygiene events for sustaining ODF status, linkages with various government schemes for tapping resources for operations and maintenance will also be undertaken. In the first year a total of 860 students (47.5% of girls) and 296 mothers were reached from 5 schools and 6 AWCs respectively and trained on handwashing techniques, personal health and hygiene etc.

Interventions include retrofitting, renovation and repair of sanitation facilities to provide schools with improved WASH facilities, including behavioural change sessions. The intervention follows a peer group strategy where child cabinets were strengthened in 26 schools. A total of 158 students (61% girls) have been provided with training on health and hygiene, handwashing with soaps, personal hygiene, leadership, and peer learning strategies.

LXX. Swachhta Se Swasthyata

The project is currently implemented in the Mandrail Block of Karauli District in 132 schools, 98 anganwadi centres and five health centres with an aim to improve practice of the SBM-ODF sustainability guidelines amongst families, community (21,844) and institutional staff of the district administration leading to an increased demand for quality WASH services. The programme goal of the programme is to improve the uptake of WASH services by 1,250 families and communities, leading to improved health outcomes. The intervention will also strengthen 132 school management committees and 123 VHSNCs to design and implement villages WASH plans aligned with SBM-ODF sustainability guidelines.

LXXI. Sustainable Drinking Water Safety and Security Project

This project is designed to provide safe and secure drinking water facilities to habitations and schools in Nandurbar and Navapur block of Nandurbar district, Maharashtra. Water resource strengthening, rainwater harvesting, creating drinking water storage and a solar mini piped water supply scheme will be undertaken in this project so that selected schools and communities have access to drinking water. This project is based on the Swajal model, a drinking water supply scheme, targeting the aspirational districts' unreached habitations that will be operated and maintained by the community.

The execution of water supply schemes (10 solar-based water supply scheme and one scheme with innovative storage tanks) in 11 habitations has been completed. The interventions provide direct benefit to around 2,376 inhabitants. It includes 373 households in 20 habitations with a population of 1,638 and 22 village-level institutions (school, Anganwadi and PHC sub-centre), benefiting around 738 people.

The community participated actively during planning, implementation and execution of the scheme. Community members contributed to the land space required for installing a storage tank, solar panel, duel pump, money for operations & maintenance etc. The Gram Panchayat spent around ₹ 72,000/- from its funds towards the programme and played a crucial role in coordinating with line departments and mobilizing mandatory supportive documents like land donation certificates, yield test, water quality test etc.

LXXII. Sustainable livelihood by way of providing skill training and employment / self-employment

The project aims to improve rural households' livelihood by providing skill training to rural elderly men and women in the field of apiculture (honey beekeeping) and neem seed oil production in the Rajnagar block of Birbhum district. This two-year programme will mobilise the existing elderly self-help groups of NSE Foundation in the area. Interested ESHGs will be provided training and machinery to be used in honey beekeeping (apiaries etc.) and neem oil production. The trained ESHGs will be given assistance to set up their units.

Market linkages will also be provided so that the beneficiaries can directly sell their products in the market. Post-training and business setup, beneficiaries will be monitored and tracked to ensure their sustainability and progress.

400 elderly enrolled and were provided ten days of training in beekeeping. During training, the focus was on practical sessions like handling of hives, usage of tools, extraction of honey, packaging, marketing and other modern beekeeping techniques. 1,000 hives were then distributed to 200 active and able elderly. The ESHG's has been collecting more than 2 Kgs of pure honey from each honey colony within a week and expect to collect around 10 kg during the season. They are getting reasonable prices for honey by selling directly in the local market.

LXXIII. Technical Assistance for implementing village water safety and security

This project aims to facilitate the implementation of a community-led village water safety and security (VWSS) plan and drinking water supply scheme in 20 villages in Mandrail and Sapotra blocks of Karauli district, Rajasthan.

The project is in partnership with local government agencies to ensure the sustained availability of safe and secured water supply in the villages. The project will demonstrate the community-led drinking water supply program, a cornerstone of Jal Jeevan Mission, an ambitious mission taken up by the Government of India for rural water safety and security of each rural household.

This two-year project will facilitate community-led village water safety and security planning process and demonstrate innovative practices and technologies for optimising water demand. Innovative technology demonstrations like non-electric and automated chlorination solutions, environmentally responsible liquid waste treatment plans and promoting waste-water reuse, increase in soil moisture, improved agricultural practices, community-based liquid waste management are some of the activities that will be undertaken under the programme.

LXXIV. Water, agriculture & food security (WAFS) Project, Ramanathapuram

Ramanathapuram district is one of the water-starved districts in the state of Tamil Nadu. Bogalur,

Mudukulathur, Kamudhi, and Kadaladi are the blocks highly affected by water scarcity. The field studies reveal that 75% of the families in the region purchase water and spend about ₹ 800 to ₹ 1,100 per month for the water alone. This water shortage forces the farmers to leave their productive land as barren land heavily infested with *Prosopis Juliflora*. This is resulting in serious health issues, increasing barren land and heavy migration.

This project covers 51 villages (25 villages in Bogalur and 26 villages in Mudukulathur) and aims to create water and food security by undertaking various water resource development and climatic resilient agriculture system with alternative cropping and community-led initiatives.

Renovation of 45 Ooranies or community water tanks, restoring 45 minor irrigation tanks, creation of 150 farm ponds, conversion of 500 acres small orchard in prosopis jungle infested barren land, inland pisciculture and 750 acres alternative crops that are climate resilience are the planned interventions.

Due to stoppages resulting from the COVID pandemic, the project delivered certain initial activities which included renovation of Ooranis, four farm ponds created, 30 acres of alternative crop introduced, and 1,000 no of trees planted. Primary soft components such as villages identification, baseline survey, demarcation of tank cascades, technical assessment of water bodies, village orientations and formation of Village Water Committees, training and skill-building exercises were also completed.

LXXV. Vidya- Enhancing the learning of tribal students

The project aims to provide a supportive learning environment to around 3,694 tribal students in 31 villages and 35 zilla parishad schools of Akkalkuva and Dhadgaon blocks of Nandurbar district through use of quality teaching-learning material for Marathi, English and Mathematics. The project also initiated learning through Balbhavans or learning centres in schools. Libraries, both conventional and digital, are functioning to strengthen foundation skills and enhance students' knowledge of spoken English. 70 teachers from 22 schools have been trained to conduct spoken English classes through audio lessons.

Due to COVID, activities were closed initially, but after moderations in lockdown guidelines, activities have resumed in the communities and with the consent of parents, activities were restarted in the Balbhavans which transitioned into community learning centres.

DISASTER RELIEF AND REHABILITATION

LXXVI. Creating Disaster Resilient and Child Friendly Model Schools in Odisha

Cyclone Fani battered the State of Odisha on 3rd May 2019 leading to a widespread destruction of property and utilities. The project objectives included repair of nine damaged schools in Khorda district with special emphasis on sanitation and water structures. The project objectives also included integration and usage of cyclone resistant construction techniques into the retrofitted structures. In association with Odisha State Disaster Management Agency, these would serve as models to showcase while training the government staff, contractors, masons, NGOs and other stakeholders involved in the large scale repair and construction activities undertaken by the government post the cyclone. The project covered 4,076 children, parents, and teachers through the behaviour change activities. Prototype designs have been developed for making disaster resilient and safe schools. Capacity building of various government officials, masons, builders and other persons involved in school construction has been undertaken and a manual on construction practices to create disaster-resilient schools in the context of Odisha has been developed in co-ordination with the Odisha State Disaster Management Authority (OSDMA) and IIT (B).

LXXVII. Enabling Drought Free Villages in Nandurbar

In early 2019, the district of Nandurbar was declared drought hit by the State Government due to low rainfall, water scarcity and falling agricultural productivity impacting the sustainability of communities. The state government undertook the massive Gaalmukta Dharan Gaalyukta Shivar (GDGS) Yojana- under the Jal Yukt Shivar Yojana programme, the GDGS scheme involves desilting of small dams/ water bodies with the aim of increasing water storage capacity and providing silt to the farmers to increase crop yield. The programme was run on a PPP model with the involvement of CSR, local community and the government that bore the

expenditure on the fuel required for excavation of silt from these water bodies.

This de-silting encourages ground water recharge of nearby wells due to percolation of water into the ground. In this project, desilting of 29 water bodies has been completed and a total of 1,88,240 CuM of silt extracted and distributed to 517 farmers. The State Government supported the project by bearing fuel expenses amounting to ₹ 22.43 lakhs (at approximately ₹ 11.92/CuM) and the community contributed by bearing transportation expenses totaling to approximately ₹ 1.88 Crs. Along with the local administration, in a PPP model, water pipeline to carry water from the river Tapi to a number of villages was also completed, NSE funds were used to bridge the gap in laying creating a small culvert so that the water could pass under a railway line. This supply now provides water to around 9,000 people in six villages.

LXXVIII. Public Health Recovery and Restoration in Flood affected districts of Maharashtra (Technical collaboration with UNICEF)

In 2019, the lower regions of Maharashtra received a large amount of rainfall which resulted in floods across 761 villages. Kolhapur and Sangli districts of Maharashtra were the worst affected. The project was implemented in ten villages in the two districts of Kolhapur and Sangli, to mitigate post-flood WASH risks. This was done by repair to damaged structures, addressing the gaps in water supply and sanitation, promotion of hygiene practices.

The construction of raised platforms for the water storage unit, handwashing, masonry, storage tanks, UFW Purifier, and online chlorination and plumbing works in 16 schools were completed and handed over to the Gram Panchayat. The orientation workshop on operations and maintenance was conducted for the end-users with the school management committee and Gram Panchayat in all 9 schools. Four new school toilet blocks, eight restorations of the existing school toilet blocks, eight restorations of existing community toilet blocks and six new community toilet blocks were constructed and handed over to Gram Panchayats. To mitigate the risk of diarrhoea and water-borne diseases, 65 Anganwadi Workers were trained to conduct Knowledge Attitude Practice (KAP) survey, and a total of 600 households were surveyed.

Locally contextualised Information Education Communication (IEC) materials were designed and developed for dissemination by 600 ASHA workers.

A team of district recovery coordinators was deployed to provide technical support to district administration for preparing the social sector recovery plans focusing on child protection, WASH, education, public health and nutrition and disaster preparedness plans for the community.

LXXIX. PPE KIT- Project- Enabling Frontline Workers to be Effective Responders

COVID-19 is thought to be predominantly caused by contact or through the aerial droplet transmission of the virus. Therefore, personal protective equipment (PPE) and other items are an important component of an overall system that protects doctors, health workers, sanitation workers and frontline staff who come in contact with the COVID-19 patients. The total protective equipment supplied under the project was 32,000 N-95 masks, 38,500 PPE kits, 3,000 litres of sanitisers and 40,000 pairs of gloves.

LXXX. Equipment: Supply of critical medical equipment

COVID-19, which not only affects the respiratory organs but in severe COVID-19 cases, uncontrolled immune response leading to multi-organ dysfunction. Considering the situation NSE Foundation supplied medical equipment to manage critically ill COVID-19 patients and to prevent transmission of the infection to healthcare providers who carry out emergency procedures and surgeries. The supplied equipment included ICU ventilators, dialysis machines, digital radiography equipment and other critical surgical equipment to prevent transmission of the virus to frontline health workers.

LXXXI. Assam Flood Response 2020 Restoration of WASH in Schools

The lower part of Assam was affected by severe floods during the monsoons of 2020 which destroyed both private and public property. The project commenced post the flood to create child-friendly WASH facilities in 25 schools of Golaghat and Jorhat Khorda district of Assam affected by the flood. The project aims to cover 5,000 children, parents and teachers. The detailed project report has been completed after the assessment of WASH infrastructure in schools. Capacity building of different stakeholders such as masons, builders,

and other persons involved in school construction has been completed through engagement and training on disaster resilience. Behaviour change activities with children, schoolteacher, school staff and nearby communities will be undertaken through messaging on tiles and awareness campaign.

LXXXII. Technology platform for Aarogya Setu Data Analytics to ensure speedy response to COVID-19 by IIT Madras

IIT Madras had developed the Aarogya Setu Fusion Analytics software that integrates COVID-19 data from Aarogya Setu users and Bluetooth tracing data, ICMR data, and Cova data. The software analyses the collected data and provides insights on locations with a high number of infected patients, potential outbreak locations, tracking of COVID-19 positive persons etc., to enable a quick response mechanism for the local health and municipal administrations, NGOs and other on-ground agencies.

The Aarogya Setu application was a Government of India designed platform hosted by the National Informatics Agency (NIA), and the software created by IIT Madras (IITM) will plug into the existing system and support the efforts of the Government of India to identify, track and contain persons or locations testing COVID positive.

LXXXIII. Rebuilding Schools affected by Nisarga Cyclone

Cyclone "Nisarga" created heavy rainfall of 120 to 140 kmph on 3rd and 14th June 2020, in which the school infrastructure such as rooftops, gates, toilets were severely affected due to the storm. The project aims to restore and make the schools functional and child friendly by rebuilding/ repairing school infrastructure with adequate WASH in facilities in selected ten primary schools of Guahagar Block District of Ratnagiri impacting around 1,000 children. The schools were selected based on the damage to the structures, the interest of the community and inputs of the district administration. A detailed project report has been completed and the retrofitting work has commenced.

LXXXIV. Retrofitting of WASH and other infrastructure in GAJA Cyclone affected schools

In November 2018, the State of Tamil Nadu was hit by Cyclone Gaja which led to considerable loss of public and private property and lives, which led to this project in the cyclone affected schools

of Nagapattinam and Thanjavur. 30 government aided schools located in Thanjavur (Pattukottai and Orathanadu Blocks) and Nagapattinam districts (Kilvelur, Thirumarugal, Kolidam, Sembarankoil, Vedaraniyam, and Thalainayar Blocks) were part of this project.

The interventions involved repair and retrofitting of damaged WASH and school infrastructure such as toilet blocks, hand washing stations, compound wall, classroom windows, roof etc., which has reached 10,702 students. Child cabinets in 22 schools were formed and trained to maintain the facilities in the schools. 3,660 girl children were educated on Menstrual Hygiene Management (MHM). Capacity building of 90 kitchen staff members on hygiene education and management of food, nutrition and food waste was undertaken. Seventy-eight (78) sanitation workers were trained to ensure the maintenance of the renovated WASH structures. Waste-water management and kitchen gardens have also been adopted in the 30 schools. As a result of meetings with Parents Teachers Association (PTA) Members, school administration and PRI members, in seven schools, the PTA and students contributed in kind to provide additional facilities like borewell and tiles to the toilets.

LXXXV. Supply of medical equipment to COVID-19 designated government hospitals Mumbai, Thane, Birbhum, Nandurbar and Ramanathapuram

To provide relief and support the overburdened tertiary care centres during the COVID pandemic, medical equipment was supplied for respiratory support and monitoring to various government hospitals in Mumbai and Thane as well as the aspirational districts of Birbhum, Nandurbar and Ramanathapuram where NSE Foundation undertook various programmes.

Based on requirements and on urgent appeals from the hospitals oxygen concentrators and non-ICU ventilators were provided to selected Mumbai & Thane civil run hospitals (35 non ICU ventilators and 35 oxygen concentrators), and the district hospitals of Birbhum (5 non-ICU ventilators and 5 oxygen concentrators), Nandurbar (10 non-ICU ventilators), Ramanathapuram (20 oxygen cylinders, 4 oxygen concentrators and 5 multipara monitors)

e) NSE CSR Focus Group

The CSR Focus Group was formed in 2012 consisting of employees volunteering to contribute part of their time to undertake CSR and other socially relevant activities. The group conducts/coordinates various social activities and awareness programmes internally for employees to encourage volunteering for the NSE Group CSR initiatives such as blood donation camps, organising awareness building programmes on solar power and sustainable lifestyles, recycling of waste paper, screening of documentaries on environmental & social issues, NGO-melas related to social entrepreneurship, education, health & environmental awareness including organising of guest lectures on social issues, nature awareness walks, observing National / International Days, such as Children's Day, Women's Day, support of Earth Hour, CSR project visits etc.

f) NSE Foundation

With the rapid increase in the number of CSR projects, it was felt that a separate and focused entity in the form of a Section 8 Company was required to create a measurable impact and enter into collaborations with on ground implementation partners to scale up the CSR programmes. Accordingly, NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on 5th March 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. Further, approvals were received from the relevant tax authorities under (i) section 12A of the Income-tax Act, 1961 for registration as an entity for charitable purpose and (ii) section 80G of the Income-tax Act, 1961 as an eligible entity to receive contribution for charitable purposes from other entities. 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.

A brief summary of the projects is given in the table below:

Description	Counts
No. of states where programmes are undertaken	12
No. of districts	76
No. of projects	85
No. of beneficiaries directly impacted by the programmes	11,10,000+
Local partners	54
Focus sectors	6

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	Mr. Prakash Parthasarathy	Shareholder Director	2	2
2	Prof. S. Sudarshan	Public Interest Director	2	2
3	Mr. Vikram Limaye	Managing Director & CEO	2	2

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://www.nseindia.com/structure-and-key-personnel/committees-under-regulation>

https://static.nseindia.com/s3fs-public/inline-files/CSR_Projects_approved_by_the_Board-NSEIL.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 (attach the report):

Not applicable

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 FY, if any:

Sr. No	Financial Year	Amount available for set-off from preceding financial years - FY 2019-20	Amount required to be setoff for FY, if any (₹ in Cr.)
1	2020-21	₹ 10,00,00,000/-*	₹ 10,00,00,000/

* pertains to contribution towards PM Cares Fund in March 2020.

6. Average net profit of the company as per section 135(5): ₹ 1648,60,76,201/-

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 32,97,21,524 /-

(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 FY: ₹ 10,00,00,000/-

(d) Total CSR obligation for FY (7a+7b-7c): ₹ 22,97,21,524/-

8. (a) CSR amount spent or unspent for FY:

Total Amount Spent for FY. (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.
₹ 22,97,21,524 /-	Nil	N.A.	N.A.	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for FY:

Sl. 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 Rs.)
				State	District.			
1	EQUIP Thirupullani Project (Education Quality Improvement Project)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,09,17,697	37,76,907
2	Project EQUIP (Education Quality Improvement Project)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,85,63,477	67,13,148
3	Serving and Enriching Education to Under-privileged Tribal Children in Talode Block of Nandurbar District	Primary Education	No	Maharashtra	Nandurbar	3	1,55,80,078	54,55,622
4	School Health Program	Sanitation and Safe Drinking Water	Yes	Maharashtra	Mumbai	2	1,08,19,499	19,01,586
5	"Gram Samrudhi" - Community Led Climate Smart Initiatives, to Safeguard Local Livelihood and Environment at Dhadgaon and Akalkuva, tribal blocks in Nandurbar district of Maharashtra	Environmental sustainability	No	Maharashtra	Nandurbar	3	3,60,64,996	95,32,050
6	Project Prajwala - Education in KGBVs	Primary Education	No	Rajasthan	All District	3	4,26,28,825	73,12,015
7	Project Prajwala - Education in KGBVs	Primary Education	No	Madhya Pradesh	All District	3	5,32,31,934	1,92,69,371
8	An initiative to support healthy ageing in the rural communities	Elder Care	No	Rajasthan	Karauli	3	2,16,38,997	21,34,447
9	Project Prajwala - Swachh Balika, Swachh Vidyalaya: Validating Scalable Models for WASH in Schools	Sanitation and Safe Drinking Water	No	Rajasthan	All District	3	3,26,15,170	27,28,117
10	Strengthening Wash In Municipal Schools Of Ahmedabad	Primary Education & WASH Int	Yes	Gujarat	Ahmedabad	3	3,10,88,026	6,79,987
11	"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	3,24,58,496	15,45,746
12	Foundational Learning Enhancement In Primary Grades [I-V] In Government Schools In Hindaun Block Of Karauli District Rajasthan	Primary Education	No	Rajasthan	Karauli	3	2,74,09,397	46,88,486
13	Empower Women and Girls - for improving Maternal, Child and Adolescent Health and Nutrition	Health and Nutrition	No	Rajasthan	Karauli	3	3,31,79,796	-

Sl. 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 Rs.)
				State	District.			
14	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	2,88,51,997	12,98,700
15	Project Alokito Shoishab (Enlightened Childhood)	Primary Education	No	West Bengal	Birbhum	3	1,61,58,561	26,80,080
16	Atikranta-An initiative towards transformation	Primary Education & WASH Int	Yes	West Bengal	Kolkata	3	3,10,15,896	24,20,192
17	Project 'Vidya'	Primary Education	No	Maharashtra	Nandurbar	3	2,52,45,497	41,22,682
18	JALDHARA: Integrated Water, Sanitation and Hygiene (WASH) interventions in Nandurbar, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	3,10,88,026	43,23,255
19	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	79,34,299	8,14,838
20	SCORE [Sustainable Conservation of Water Resources Through Enabling] Community-led Development	Environmental sustainability	No	Tamil Nadu	Ramanathapuram	3	2,16,38,997	90,75,618
21	Creating Enablers For Odf Sustainability	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	2,32,25,857	38,45,250
22	Project for ODF sustainability in Nandurbar	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	2,51,73,367	80,16,783
23	"Promoting Sustainability of WASH facilities and child centered governance in the Schools of Rameswaram"	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	2	1,06,75,239	24,82,070
24	Sustainable Community ODF Program at Ramanathapuram Block, Ramanathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	2,66,88,097	1,18,75,322
25	Sustainable Community ODF Program in Mandapam Block, Ramanathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	2,28,65,207	82,38,955

Sl. 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 Rs.)
				State	District.			
26	Building Water Security for Green Rameswaram	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	2	1,09,63,759	48,33,572
27	“Water, Agriculture and Food Security (WAFS) Project” in Bogalur and Mudukulathur Blocks of Ramanathapuram District	Environmental sustainability	No	Tamil Nadu	Ramanathapuram	4 (w.e.f. 24/06/2020)	5,35,92,584	78,02,513
28	Shraddha – Towards Active And Healthy Ageing	Elder Care	No	Maharashtra, Telangana, West Bengal & Bihar	Yavatmal, Nalgonda, Purbi Midnapore & Supaul	5 (w.e.f. 19/12/2016)	3,97,43,625	51,66,966
29	Aalambana – Towards Active and Healthy Ageing	Elder Care	No	West Bengal, Tamil Nadu & Rajasthan	Birbhum, Ramanathapuram & Karauli	4 (w.e.f. 28/02/2018)	9,81,68,918	2,80,25,687
30	Girl child educate programme	Primary Education	No	West Bengal	Purulia and Bankura	5 (w.e.f. 19/12/2016)	4,00,32,145	56,22,645
31	Technology Support to combat COVID- 19 Pandemic	Disaster Relief and Rehabilitation	Yes	Tamil Nadu	Chennai	1	21,63,900	21,63,900
32	NSE Foundation-Impact India Foundation's (IIF) Lifeline Express - Hospital on Train project.	Health and Nutrition	No	West Bengal	Birbhum	1	1,08,19,499	9,97,738
33	Project Samartha: Elderly Care programme(55 Years+) in Nandurbar district, Maharashtra	Elder Care	No	Maharashtra	Nandurbar	3	3,24,58,496	65,17,331
34	Bhu-Jal Dhaara (A Livelihood Improvement Project Through Integrated Watershed Development)	Environmental sustainability	No	Rajasthan	Karauli	4 (w.e.f. 24/06/2020)	3,60,64,996	-
35	Project Prajwala- Wash Compliant KGBVs (MP)	Sanitation and Safe Drinking Water	No	Madhya Pradesh	All District	3	4,61,03,478	1,96,03,162
36	Nse Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya	Primary Education	No	Rajasthan	Karauli	3	3,24,58,496	33,61,174
37	Skill Mitra And Udyog Mitra Model For Livelihood In Two Blocks Of Ramanathapuram (Tamilnadu)	Skill Development and Entrepreneurship	No	Tamil Nadu	Ramanathapuram	3	3,02,94,596	51,55,230
38	“Samrakshana: Building Resilience among the Senior Citizens in Green Rameswaram”	Elder Care	No	Tamil Nadu	Ramanathapuram	3	2,27,20,947	17,97,388

Sl. 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 Rs.)
				State	District.			
39	Creating And Enabling A Learning Environment For Academic Excellence	Primary Education	Yes	New Delhi	New Delhi	3	1,80,32,498	39,11,177
40	PROJECT- STUDENT TEACHER EMPOWERMENT PROGRAM (STEP) PLUS	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,94,29,036	57,33,477
41	Project Supply Of Medical Equipment To Government Hospitals	Disaster Relief and Rehabilitation	No	Maharashtra, West Bengal & TamilNadu	Mumbai & Thane, Nandurbar, Birbhum, Ramanathapuram	1	1,22,62,099	1,09,20,963
42	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	1,08,19,499	52,78,704
43	Assam Flood Response 2020 Restoration of WASH in Schools	Disaster Relief and Rehabilitation	No	Assam	Jorhat and Golaghat	1	1,44,25,998	59,84,374
44	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	72,85,129	19,59,518
45	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	1,78,16,108	59,23,168
46	Making Mandrail Block of Karauli district as Open Defecation Free Sustainable Block through School, AWC and Community centered WASH interventions	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	1,84,65,278	18,95,149
47	Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.	Primary Education	No	Rajasthan	Karauli	3	2,08,21,765	74,89,514
48	Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based WASH interventions.	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	2,25,04,557	29,86,145

Sl. 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 Rs.)
				State	District.			
49	The project interventions in Chennai will be titled "NSE Foundation Urban Learning Improvement Program"	Primary Education	Yes	Tamil Nadu	Chennai	3	1,78,88,238	4,33,816
50	Creating a Learning Culture	Primary Education	Yes	Maharashtra	Mumbai	3	2,01,96,398	38,35,082
51	Anupad	Primary Education	No	Maharashtra	Nashik	3	3,65,69,906	8,48,804
52	Enabling Frontline workers for effective response to Covid-19 through provision of PPE kits and BCC activities in Mumbai, Maharashtra	Disaster Relief and Rehabilitation	Yes	Maharashtra	Mumbai	1	1,63,73,508	1,54,93,935
53	Nse Foundation Covid Response- Through Supply Of Medical Equipment To JJ Group Of Hospitals	Health and Nutrition	Yes	Maharashtra	Mumbai	1	2,88,51,997	2,49,30,038
54	Rehli Shiksha Pahal Program (RSPP)	Primary Education	No	Madhya Pradesh	Sagar	5 (w.e.f. 19/12/2016)	2,19,99,647	24,84,691
55	Sustainable Environment & Livelihoods through Soil & Water Conservation and Improving Soil Health.	Environmental sustainability	No	Rajasthan	Karauli	3	4,23,40,305	2,07,25,642
56	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	2,81,30,697	83,50,770
57	Akshara: Learning Centers for Primary Children in Rameswaram	Primary Education	No	Tamil Nadu	Ramanathapuram	3	90,16,249	10,12,885
58	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 pahse-I	All District	1	1,02,42,459	30,14,583
59	Rebuilding Schools Affected by Nisarga Cyclone	Disaster Relief and Rehabilitation	No	Maharashtra	Ratnagiri	1	1,00,98,199	21,61,736
60	ShikshaDeep Prkalpa	Primary Education	No	West Bengal	Birbhum	3	2,11,34,087	30,82,749
61	Promotion of Tiruppullani as Swachh and Swasth Block.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	3,24,58,496	1,07,44,168
62	Promotion Of Swachh And Swasth Hindaun Block Of Karauli District In Rajasthan	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	3,24,58,496	79,40,962

Sl. 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 Rs.)
				State	District.			
63	Wash Scale Up Initiative Swaccho - Nirapad Parivesh (Clean And Safe Environment)	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	2,97,89,686	85,91,473
64	Swaccho – Nirapad Parivesh (Clean and Safe Environment)	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	1,85,37,408	75,21,860
65	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	3,82,28,895	85,22,731
66	Project Shiksha Setu	Primary Education	No	Maharashtra	Nandurbar	3	3,52,71,566	21,44,549
67	'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	2,22,16,037	1,00,42,561
68	JAL SAMARTHYA- TECHNICAL ASSISTANCE FOR IMPLEMENTING VILLAGE WATER SAFETY AND SECURITY (VWSS) IN SELECTED VILLAGES FROM MANDRAIL AND SAPOTRA BLOCKS OF KARALI DISTRICT RAJASTHAN AND ITS MAINSTREAMING IN JAL JEEVAN MISSION	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	2	3,02,94,596	1,34,30,576
69	Ensuring sustainable drinking water safety and security in the identified schools and habitations in Nandurbar and Navapur blocks of Nandurbar district	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	2	2,22,16,037	57,09,129
70	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	7,93,42,990	-
71	HEALTHCARE ACCESS TO GERIATRIC POPULATION THROUGH TECHNOLOGY	Elder Care	No	Tamil Nadu & Maharashtra	Ramanathapuram & Nandurbar	3	4,99,13,954	21,63,900
72	DRINKING WATER KIOSKS WITH FLUORIDE AND DESALINITY REMEDIATION	Sanitation and Safe Drinking Water	No	Tamil Nadu & West Bengal	Ramanathapuram & Birbhum	2	3,40,45,356	77,52,528
73	Capacity Building of Ashramshala staff and TDD officials on WASH	Sanitation and Safe Drinking Water	No	Maharashtra	Nashik	1	17,81,611	6,99,661

Sl. 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 Rs.)
				State	District.			
74	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	2,16,38,997	-
75	Rehabilitation of 30 Government Schools affected by Gaja Cyclone at Nagapattinam District and Thanjavur District, Tamil Nadu	Disaster Relief and Rehabilitation	No	Tamil Nadu	Nagapattinam & Thanjavore	1	93,76,899	4,68,845
76	Serving and Enriching Education to Under-privileged Urban Children in Bhiwandi-Nizampur and Malegaon	Primary Education	No	Maharashtra	Thane & Nashik	3	2,31,49,503	31,81,847
77	Project Learning Orbit for Village Excellence in partnership	Primary Education	No	Rajasthan	Udaipur	3	1,78,16,108	39,32,428
78	Student Teacher Empowerment Program	Primary Education	No	Madhya Pradesh	Sheopur	3	1,90,09,859	19,48,789
79	Educate Girls Program	Primary Education	No	Rajasthan	Ajmer	3	2,70,48,747	-
80	Orientation of the Principals of the Adarsh Schools	Primary Education	No	Rajasthan	Jaipur	3	2,52,45,497	-
81	Promoting WASH Compliant Ashramshala, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nashik	3	8,61,23,210	29,36,017
82	Swachh Vidyalaya, Swachh Aadat	Sanitation and Safe Drinking Water	No	Jharkhand	Dumka and Pakur	3	1,96,91,488	-
83	Creating Disaster Resilient and Child Friendly Model Schools in Odisha	Disaster Relief and Rehabilitation	No	Odisha	Puri	1	1,20,45,709	-
84	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	1,21,17,839	21,32,164
85	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Disaster Relief and Rehabilitation	No	Kerala	Allapuzha and Thrissur	1	1,34,16,178	4,03,408
86	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Sanitation and Safe Drinking Water	No	Kerala	Idukki	3	1,15,40,799	-

Sl. 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 Rs.)
				State	District.			
87	Enabling Drought Free Villages through Integrated & Participatory Watershed Management in Nandurbar, Maharashtra	Disaster Relief and Rehabilitation	No	Maharashtra	Nandurbar	1	5,40,97,494	-
88	Rashtriya Netra Yagna	Elder Care	No	11 state	22 District	1	86,55,599	-
89	Nation Supports Elderly	Elder Care	No	Jharkhand	Khunti	1	36,03,614	2,31,801
90	CSR Focus Group	Various Activities*	Yes				-	6,05,892
91	PME**	Project Monitoring					-	1,13,22,740
	Total						2,33,81,79,191	46,68,63,482

*Activities undertaken by NSE CSR Focus Group covers Blood Donation Camps, Flood Relief, Cyclone Relief, Food Distribution to Migrant Workers during the COVID Pandemic, NGO Melas, Environment Awareness, Employee Engagement for CSR projects of the Company etc.

**Project Monitoring and Evaluation Agency for conducting programmatic evaluation, monitoring and audit so as to ensure achievement of defined indicators of the projects.

The difference between the CSR obligation for FY 20-21 of ₹ 33 Cr and the allocated spend of ₹ 48 Cr to the Company as per the above table is due to the unspent amounts of previous years which were transferred to NSE Foundation at the time of its incorporation.

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on 5th March 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.

(c) Details of CSR amount spent against other than 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		Amount spent on the project in the reporting Financial Year (in ₹). FY 2020-21
				State	District.	
-	-	-	-	-	-	-

(d) Amount spent in Administrative Overheads: ₹ 1,20,83,676/-

(e) Amount spent on Impact Assessment, if applicable (as advance): ₹ 32,90,334/-

(f) Total amount spent for FY (8b+8c+8d+8e): ₹ 48,22,37,493/-

(g) 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	2020-21	Nil	Nil	N.A.	Nil	N.A.	Nil

(b) Details of CSR amount spent in FY 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 FY (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, ₹ 32,97,21,524 /- being the amount required to be spent to implement the Corporate Social Responsibility Policy of the Company, has been completely expended towards the approved activities including, supporting the Nation in its efforts to fight the effects of the unforeseen pandemic COVID -19 that has collectively impacted us all.

Vikram Limaye
 Managing Director & CEO
 DIN:00488534

Prakash Parthasarthy
 Chairman CSR Committee
 DIN: 02011709

Date : May 11, 2021

ANNEXURE 6 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' or 'your Company') is a public limited company, incorporated under the Companies Act, 1956 whose securities are not listed on any of the stock exchanges. NSE is a recognised stock exchange under Securities Contracts (Regulation) Act, 1956 and is governed under the said regulations and the rules laid down thereunder and the directives and circulars issued by Securities and Exchange Board of India (SEBI) from time to time. As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations'), the disclosure requirements and corporate governance norms, specified for listed companies, mutatis mutandis apply to a recognised Stock Exchange. 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, 2021.

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. With regards to the same, the Company introduced Integrated Reporting (IR) for the first time since FY 2019-2020 and has prepared 'Integrated Report for the year 2020-2021' as well. 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 shareholders.

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, 2021, 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
Mr. Girish Chandra Chaturvedi	Chairman & Public Interest Director
Mr. Vikram Limaye	Managing Director & CEO
Ms. Anuradha Rao	Public Interest Director
Mr. K Narasimha Murthy	Public Interest Director
Prof. S. Sudarshan	Public Interest Director
Ms. Mona Bhide	Public Interest Director
Mr. Prakash Parthasarathy	Shareholder Director
Ms. Sunita Sharma	Shareholder Director

None of the Directors of your Company hold any shares in the Company and are not inter-se related to each other.

Changes during the year and till the date of this report:

- SEBI, vide its letter dated April 21, 2020, approved the nomination of Ms. Mona Bhide as Public Interest Director for a period of three years, with effect from the said date.
- Mr. Abhay Havaldar ceased to be a Shareholder Director w.e.f. September 26, 2020.

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 company operates.

Skill/Expertise in specific functional areas of Board of Directors as on March 31, 2021 are as under:

Skills	Mr. Girish Chandra Chaturvedi	Mr. Vikram Limaye	Ms. Anuradha Rao	Mr. K Narasimha Murthy	Prof. S Sudarshan	Ms. Mona Bhide	Mr. Prakash Parthasarathy	Ms. Sunita Sharma
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 Mr. 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 Mr. Girish Chandra Chaturvedi as the Chairman of the Governing Board of NSE.

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.
11. The Chairman shall initial each page of the Minutes, sign the last page and append to such signature the date on which and the place where he has signed the Minutes.

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 FY. The final annual schedule that is fixed is circulated to all the Directors as part of the agenda in the Board meeting 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 sent 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.

- (1) Details of Directors along with the Directorship(s) and Chairmanship(s) / Membership(s) of Committees in other companies as on March 31, 2021:

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(s)	Other Committee Membership(s)	Other Committee Chairmanship(s)
		Held #	Attended				
Mr. Girish Chandra Chaturvedi	Chairman & Public Interest Director	7	7	Y	4	2	2
Mr. Vikram Limaye	Managing Director & CEO	7	7	Y	-	-	-
Ms. Anuradha Rao	Public Interest Director	7	7	Y	1	1	-
Mr. K. Narasimha Murthy	Public Interest Director	7	6	Y	6	7	4
Prof. S. Sudarshan	Public Interest Director	7	6	Y	-	-	-
Ms. Mona Bhide *	Public Interest Director	7	7	Y	2	1	-
Mr. Prakash Parthasarathy	Shareholder Director	7	7	Y	-	-	-
Ms. Sunita Sharma	Shareholder Director	7	7	Y	1	1	1

Number of Board Meetings held during the tenure of Director

* Appointed as Public Interest Director w.e.f. April 21, 2020.

B. Number of Board Meetings

The Board of Directors met 7 times during the year as detailed below:

Sr. No.	Date of meeting
1	June 25, 2020
2	August 06, 2020
3	September 21, 2020
4	October 05, 2020
5	November 06, 2020
6	February 05, 2021
7	March 17, 2021

During the year under review, the total duration of the Board meetings i.e. approximate aggregate number of hours was about 47 hours and 15 minutes.

The maximum gap between any two meetings was less than one hundred and twenty days.

C. 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).

Note:

- i. 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.
- ii. Membership(s)/Chairmanship(s) of only the Audit Committee and Stakeholders Relationship Committee of all Public Companies have been considered.
- iii. Mr. Girish Chandra Chaturvedi (Chairman of the Board), Mr. Vikram Limaye, Managing Director & CEO, Mr. K. Narasimha Murthy (Chairman of Audit Committee), Ms. Anuradha Rao (Chairperson of Nomination & Remuneration Committee) and Mr. Abhay Havaladar (the then Chairman of Stakeholders Relationship Committee) were present at the Annual General Meeting of the Company held on September 25, 2020.

Names of the listed entities where the Director(s) is a director as at March 31, 2021 and the category of Directorship.

Table No. 2

Name of the Director	Name of Listed Entity	Category of Directorship
Mr. Girish Chandra Chaturvedi	1. ICICI Bank Limited	Non-Executive - Independent Director
	2. Infrastructure Leasing and Financial Services Limited	Director
	3. IL&FS Transportation Networks Limited	Non-Executive, Nominee Director
Mr. Vikram Limaye	-	-
Ms. Anuradha Rao	-	-
Mr. K. Narasimha Murthy	1. Nelco Limited	Non-Executive - Independent Director
	2. Max Healthcare Institute Limited	Non-Executive - Independent Director
	3. Max Ventures And Industries Limited	Non-Executive - Independent Director
	4. Max Financial Services Limited	Additional Independent Director
Prof. S. Sudarshan	-	-
Ms. Mona Bhide	1. Vinati Organics Limited	Non-Executive - Independent Director
	2. Datamatics Global Services Limited	Non-Executive - Independent Director
Mr. Prakash Parthasarathy	-	-
Ms. Sunita Sharma	1. Larsen & Toubro Limited	Non- Executive - Nominee Director

Separation of Offices of Chairman & Chief Executive Officer

Mr. Vikram Limaye is MD & CEO of your Company. Mr. Girish Chandra Chaturvedi, Public Interest Director, is the Chairman of the Governing Board.

D. 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 Directors 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.
- https://archives.nseindia.com/global/content/about_us/Familiarisation_programme.pdf
- NSE also provides training in various fields such as operations, risk management, compliance etc., to all the Directors regularly. Every Director has the ability to understand basic financial statements and information and related documents/papers.
- Mr. Girish Chandra Chaturvedi, Ms. Anuradha Rao and

Ms. Sunita Sharma had attended an Online Programme on “Cyber Security Issues & Challenges” on December 23, 2020 organised by the National Institute of Securities Market (NISM) – the educational initiative of SEBI.

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 subsidiary.
- 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.

E. 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:

(https://archives.nseindia.com/global/content/about_us/NSE_CODE_BOARD.pdf)

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 the professional and ethical standards in the functioning of NSE.

F. 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 / PID 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 Independent Directors held on May 10, 2021 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 and individual Directors.

G. 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.

NSE pays only sitting fees to its Non-Executive Directors. The sitting fees 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.

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.

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 (03) 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:

- 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 3 years.
- C. ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel.
- D. 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 3 to the Directors' Report.

None of the Directors of NSE hold any shares or any convertible instruments of NSE.

The details of remuneration paid to Managing Director & CEO during FY 2020-21 are given in the following table: -

(₹ in crores)

Name & Designation	Salary & Allowances	Variable Pay**	Perquisites in cash or in kind	Contribution to PF and other Funds	Total
Mr. Vikram Limaye, MD & CEO	7.29	1.32	0.01	0.28	8.90

** Excludes 50% of the Variable Pay of ₹ 1.32 crores to be paid on deferred basis after 3 years.

The sitting fees paid to the Non-Executives Directors for attending the meetings of the Board and Committees during the year FY 2020-21 is as follows:

Name	Board meetings		Board Committee meetings		Total (₹)
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. Girish Chandra Chaturvedi	7	7,00,000	24	18,00,000	25,00,000
Ms. Anuradha Rao	7	7,00,000	41	30,75,000	37,75,000
Mr. K. Narasimha Murthy	6	6,00,000	33	24,75,000	30,75,000
Prof. S. Sudarshan	6	6,00,000	29	21,75,000	27,75,000
Ms. Mona Bhide *	7	7,00,000	42	31,50,000	38,50,000
Mr. Prakash Parthasarathy	7	7,00,000	11	8,25,000	15,25,000
Ms. Sunita Sharma	7	7,00,000	15	11,25,000	18,25,000
Mr. Abhay Havaladar **	3	3,00,000	6	4,50,000	7,50,000

Sitting fees are exclusive of applicable taxes.

* Appointed as Public Interest Director w.e.f. April 21, 2020.

** Ceased to be Shareholder Director w.e.f. September 26, 2020.

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, internal auditors and operational 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 the 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 or 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 four Directors viz., Mr. K Narasimha Murthy, Mr. Girish Chandra Chaturvedi, Ms. Anuradha Rao and Ms. Sunita Sharma as its Members with Mr. K Narasimha Murthy as its Chairman.

The Committee met 5 times during the year i.e., on June 24, 2020, August 06, 2020, November 05, 2020, February 04, 2021 and March 17, 2021.

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
Mr. K Narasimha Murthy	5	4
Mr. Girish Chandra Chaturvedi **	2	2
Ms. Anuradha Rao	5	5
Ms. Sunita Sharma *	3	3
Mr. Abhay Havaladar ***	2	2

* Inducted as a member w.e.f. September 26, 2020.

**Inducted as a member w.e.f. November 06, 2020.

***Ceased to be a member w.e.f. September 26, 2020.

Number of Audit Committee Meetings held during the tenure of Director

The Officer responsible for the finance function, the representative of the statutory auditors, internal auditors, secretarial auditors and operational 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. Mr. K Narasimha Murthy, the Chairman of the Audit Committee attended the Annual General Meeting held on September 25, 2020.

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;
2. Recommend to NSE's Board, a policy relating to the remuneration of the Directors, Senior Management (including Key Managerial Personnel) and other employees;
3. Determine the composition of the Board and the subcommittees and address issues of Board diversity; devising a policy on diversity of Board of Directors;
4. Ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness;
5. Identifying persons who are qualified to become Directors;
6. Recommend to the Board the appointment and removal of Directors in accordance with laid down policy and criteria;
7. Specify the manner for effective evaluation of performance of the Board, its Committees and individual Directors to 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;
8. Formulation of criteria for evaluation of performance for Independent Directors and Board of Directors;
9. Recommend on the extension or continuation of the term of appointment of Independent Director on the basis of performance evaluation of Independent Directors;
10. Decide on the annual performance linked pay (variable pay) payable to Managing Director and Chief Executive Officer and to approve annual increase in the total pay payable to Managing Director and Chief Executive Officer; assist NSE Board's overall responsibility relating to executive compensation and recommend to NSE's Board appropriate compensation packages for Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain best available personnel for position of substantial responsibility;
11. Lay down criteria for personnel who may be appointed in Senior Management;
12. Identify persons who may be appointed in Senior Management in accordance with the laid down policies and criteria;
13. Recommend to NSE's Board appointment and removal of personnel in Senior Management in accordance with laid down policies and criteria;
14. Recommend to the board, all remuneration, in whatever form, payable to Senior Management;
15. Approve release of variable pay of Key Management Personnel under SEBI Regulations withheld earlier;
16. Approve Variable Pay and Fixed Pay of KMPs under SEBI Regulations;
17. To take note of decisions of the Managing Director and Chief Executive Officer with regard to variable pay and fixed pay of the Key Management Personnel under SEBI Regulations;
18. Review, approve and aid the Board in succession and emergency preparedness plan for key executives;
19. Determine the tenure of Key Management Personnel under SEBI Regulations appointed in regulatory department;
20. Identifying a Key Management Personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018;
21. Laying down the policy for compensation of Key Management Personnel in terms of the compensation norms prescribed by SEBI;
22. Determining the compensation of KMPs in terms of the compensation policy;
23. Determining the tenure of a Key Management Personnel, other than a Director, to be posted in a regulatory department;

24. Selecting the Managing Director;
25. Framing & reviewing the performance review policy to carry out evaluation of every Director's performance, including that of Public Interest Director (PID);
26. Recommending whether to extend the term of appointment of the PID;
27. 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., Ms. Anuradha Rao, Mr. Girish Chandra Chaturvedi and Prof. S. Sudarshan with Ms. Anuradha Rao as Chairperson.

The NRC had approved the performance ratings, fixation of the variable pay for FY 2020-21 and the remuneration for FY 2021-22 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 5 times during the year, i.e. on June 24, 2020, November 05, 2020, December 10, 2020, February 04, 2021 and March 30, 2021.

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
Ms. Anuradha Rao	5	5
Mr. Girish Chandra Chaturvedi	5	5
Prof. S. Sudarshan	5	5

Number of Meetings held during the tenure of the Member.

Ms. Anuradha Rao, the chairperson of the Nomination and Remuneration Committee attended the Annual General Meeting held on September 25, 2020.

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 look into the mechanism for redressal of grievances of shareholders, debenture holders and other security holders.
2. To consider and resolve the grievances of the security holders of the Company which may include complaints related to transfer 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, as may be applicable.
3. To review the grievances related to security holders, conduct of the general meetings.
4. To review the status of redressal of correspondences / complaints, received from the security holders either directly or through Statutory / Regulatory Authorities, inter-alia relating to non-receipt of dividend/ interest/ refund order, redemption of debt securities, transfer / transmission of shares, non-receipt of annual report and other related documents.
5. To review process related to transfer/transmission of securities.
6. To review the adherence to the service standards and standard operating procedures adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent to its shareholders.
7. To review the work done by the Registrar and Share Transfer Agent.
8. To review the various measures/ initiatives taken by the Company, inter-alia for 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.
9. To review the status of litigations filed by/against security holders of the Company.
10. To review measures taken for effective exercise of voting rights by shareholders (including foreign shareholders).
11. To review periodically the relationships /

engagement with Regulatory / Statutory authorities / Central Government.

12. To review policies / other issues raised by the brokers / employee community.
13. To consider and review such other matters, as the Committee/Board may deem fit, from time to time.

The SRC presently comprises of four Directors viz., Mr. Girish Chandra Chaturvedi, Mr. Vikram Limaye, Mr. Prakash Parthasarathy and Ms. Sunita Sharma as its members with Mr. Girish Chandra Chaturvedi as its Chairman.

Mr. Rohit Gupte, Company Secretary of NSE is the Compliance Officer, in terms of Regulation 6 of the Listing Regulations.

No shareholders' complaints were received during the period under review.

The Committee met five times during the year, i.e. on June 24, 2020, August 07, 2020, September 22, 2020, November 05, 2020 and February 04, 2021 and also approved many circular resolutions for transfer of shares which are later placed at the subsequent Committee meeting for its noting.

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
Mr. K Narasimha Murthy *	3	2
Mr. Girish Chandra Chaturvedi **	5	5
Mr. Vikram Limaye	5	5
Ms. Sunita Sharma	5	5
Mr. Abhay Havaladar *	3	3
Mr. Prakash Parthasarathy	5	5

Number of Meetings held during the tenure of Director.

* Ceased to be a member w.e.f. September 26, 2020.

**Inducted as a member w.e.f. February 22, 2020 and as a Chairman w.e.f. September 26, 2020.

Mr. Abhay Havaladar, the then Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting held on September 25, 2020 to answer shareholders' queries.

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 4 times during the year i.e. on June 24, 2020, August 06, 2020, November 05, 2020 and February 04, 2021.

The RMC was re-constituted from time to time on account of induction of new Public Interest Directors on the Board. Presently, the RMC comprises of Ms. Mona Bhide, Prof. S. Sudarshan, Mr. K Narasimha Murthy and Mr. Abhijit Sen (Independent External Person) as its Members with Ms. Mona Bhide as its Chairperson.

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
Ms. Mona Bhide*	4	4
Prof. S. Sudarshan	4	4
Mr. Abhijit Sen	4	3
Mr. K Narasimha Murthy^	2	2

* Inducted as Chairperson and Member w.e.f. April 22, 2020

^ Inducted as Member w.e.f. September 26, 2020

Number of Meetings held during the tenure of the Member

Mr. Somasundaram K S, the Chief Enterprise Risk and Information Security Officer of NSE reports directly to the Risk Management Committee and the Managing Director & CEO of NSE and attends 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 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 the 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 Mr. Prakash Parthasarathy, Mr. Vikram Limaye and Prof. S. Sudarshan as its Members with Mr. Prakash Parthasarathy as Chairman of the Committee.

The Committee met 2 times during the year, i.e. on June 24, 2020 and November 05, 2020.

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
Mr. Prakash Parthasarathy	2	2
Mr. Vikram Limaye	2	2
Prof. S. Sudarshan	2	2

Number of Meetings held during the tenure of Director

Ms. 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., Ms. Mona Bhide, Public Interest Director, Mr. K. Narasimha Murthy, Public Interest Director, Ms. Anuradha Rao, Public Interest Director, Mr. Ranganayakulu Jagarlamudi, Independent External Person and Mr. Vikram Limaye, Managing Director

& CEO with Ms. Mona Bhide as its Chairperson. Ms. Anuradha Rao was inducted as a member of the committee with effect from December 16, 2020.

Ms. Priya Subbaraman, Chief Regulatory Officer of NSE attends the meetings of the MCSGFC.

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 voluntary withdrawal of membership.
2. Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as 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 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 defaulter, 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.
9. To oversee contribution towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation.

2. Standing Committee on Technology (SCOT)

The Standing Committee on Technology presently comprises of 4 members viz. Prof. S. Sudarshan, Public Interest Director, Ms. Anuradha Rao, Public Interest Director, Dr. N. L. Sarda, Independent External Person and Prof. V. Kamakoti, Independent External Person with Prof. S. Sudarshan as its Chairman.

Mr. Shiv Kumar Bhasin who is the Chief Technology and Operations Officer of NSE attends the meetings of the SCOT.

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 14 trading members. Mr. Girish Chandra Chaturvedi acts as its Chairman.

The brief description of terms of reference of the Advisory Committee, are as under:

- 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 4 members viz. Mr. Girish Chandra Chaturvedi, Public Interest Director, Ms. Mona Bhide, Public Interest Director, Ms. Anuradha Rao, Public Interest Director and Mr. V G Kannan, Independent External Person with Mr. Girish Chandra Chaturvedi as its Chairman. Ms. Mona Bhide was inducted as Member w.e.f. April 22, 2020. Mr. S. Raman ceased to be an Independent External Person w.e.f April 19, 2021.

Ms. Priya Subbaraman is the Chief Regulatory Officer and also a Key Management Personnel under SCR (SECC) Regulations heading regulatory functions in the regulatory department and 'Compliance Officer' as per Regulation 30 of SCR (SECC) Regulations.

The brief description of 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 Investors Services Cell of the exchange, which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time, estimate 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 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

The Company has complied with Regulation 26 read with part A of Schedule II of SECC Regulations. As per the aforesaid Regulations, Public Interest Directors shall meet separately, at least once in six months to exchange views on critical issues.

Composition and Attendance:

During FY 2020-21, Public Interest Directors Meetings were held on June 16, 2020 and December 17, 2020.

The details of the attendance of members at the meeting held are given hereunder: -

Names of Members	Category of Directors	Nature of Membership	Number of Meetings	
			Held	Attended
Mr. Girish Chandra Chaturvedi	Public Interest Director	Chairman	2	2
Ms. Anuradha Rao	Public Interest Director	Member	2	2
Mr. K Narasimha Murthy	Public Interest Director	Member	2	1
Prof. S Sudarshan	Public Interest Director	Member	2	2
Ms. Mona Bhide	Public Interest Director	Member	2	2

7. Committee of PIDs

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.

During the year under review, the Board of NSE constituted the Committee of PIDs – for reviewing the claims lodged by the claimants of the defaulter/expelled members i.e. to review the second review request lodged by the claimant who is not satisfied with the outcome of the first review by MCSGFC. The said Committee was constituted pursuant to SEBI letter dated November 13, 2020. The Committee currently comprises of Mr. 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 also 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 M. P. Chitale & Co., external firm of chartered accountants as its internal auditor in order to ensure the independence and credibility of the internal audit process related to finance function. The Board has appointed M/s Ernst & Young LLP, Chartered Accountants as Operational Reviewer to conduct operations audit so as to improve operational efficiency and compliance.

V. SECRETARIAL AUDIT

NSE had engaged the services of M/s. BNP & Associates, Company Secretaries to conduct Secretarial Audit for FY

ended March 31, 2021. The report of the Secretarial Auditors is placed before the Audit Committee and the Board.

VI. ANNUAL SECRETARIAL COMPLIANCE REPORT

NSE has undertaken an audit for FY 2020-21 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. BNP & Associates, 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 2020-2021 is attached at the end of the report.

VIII. GENERAL SHAREHOLDER INFORMATION

(A) Annual General Meeting: The 29th Annual General Meeting of NSE will be held on Wednesday, August 25, 2021 through Video Conference / Other Audio-Visual Means (VC/OAVM). The deemed venue for the 29th 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.

Unpaid dividend

Unpaid Dividend balance at the beginning of the year pertained to dividend payable to Life Insurance Corporation (LIC) withheld under directions from SEBI.

Consequent to LIC's acquisition of controlling stake in IDBI Bank, the shareholding threshold of 49% for Trading Member / Clearing Member / their associates in NSE as required under SECC Regulations 2018, was breached.

Hence, SEBI directed LIC to divest its shareholding in NSE so as to reduce the TM/CM shareholding in NSE to 49%. SEBI also directed NSE to freeze LIC's voting rights and all corporate actions in respect of excess holding by LIC till the time the same was divested.

Pursuant to LIC divesting part of its stake in NSE, SEBI vide its letter dated February 08, 2021 advised NSE to unfreeze the voting rights and corporate actions of LIC. Thus, the dividend amount held in abeyance was released to LIC along with accrued interest thereon.

As on March 31, 2021 there was NIL amount lying in the unpaid dividend account of the Company.

(B) 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>.

(C) 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.

(D) Distribution of shareholding:

Distribution of Shareholding as on March 31, 2021

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	738	72.07	3,69,61,894	7.47
Corporates-Listed	13	1.27	69,99,100	1.41
Corporates-Unlisted	153	14.94	6,24,92,466	12.62
Financial Institutions/Banks	6	0.59	2,44,13,446	4.93
Insurance Companies	10	0.98	9,56,06,750	19.31
Venture Capital Fund/AIFs	9	0.88	2,67,19,042	5.40
Foreign holding	59	5.76	23,26,42,285	47.00
Hindu Undivided Family	9	0.88	2,02,552	0.04
Trust	27	2.64	89,62,465	1.81
Total	1,024	100.00	49,50,00,000	100.00

Top 10 Shareholders as on March 31, 2021:

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 Limited	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	SAIF II-Se Investments Mauritius Limited	1,58,90,000	3.21
8	Pi Opportunities Fund I	1,48,50,000	3.00
9	MS Strategic (Mauritius) Limited	1,39,50,000	2.82
10	Crown Capital Limited	1,25,84,000	2.54

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 person resident in India (as per FEMA) i.e. not more than 49% to be held by person 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, 2021 is 52.33% as against the minimum requirement of 51%.

(E) Dematerialisation of shares:

NSE's shares are fully dematerialised.

(F) 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).

(G) 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.

https://archives.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsSubsidiaries.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 2020- 2021, 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.

SEBI had issued orders dated April 30, 2019 in respect of the Colocation, Dark fibre, Conflict of interest and Governance matters inter-alia as under:

1. NSE to disgorge an amount of ₹ 624.89 crores along with interest at the rate of 12% per annum from April 01, 2014. NSE on the direction of SAT has transferred the amount to SEBI, the said amount shall be subject to the result of the appeal.
2. NSE shall be prohibited from accessing the securities market directly or indirectly for a

period of six (6) months from the date of this order. NSE has complied with this direction which ended in October, 2019.

3. NSE to disgorge an amount of ₹ 62.58 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with other directions. NSE on the direction of SAT has transferred the amount to SEBI, the said amount shall be subject to the result of the appeal.
4. NSE not to introduce any new derivative product for next six months from the date of this order. NSE has complied with this direction which ended in October, 2019.
5. Certain non-monetary directions on NSE in the Conflict of interest and Governance matter have been stayed by SAT.

NSE is in receipt of SEBI Show Cause Notice dated October 9, 2019 and a Supplementary notice dated December 16, 2019 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 MD and CEO Ms. Chitra Ramakrishna and the sharing of certain internal information pertaining to NSE with an alleged third party by the former MD & CEO. NSE filed a Settlement Application in the matter which has been returned by SEBI vide its letter dated October 27, 2020. Thereafter NSE filed a detailed reply to the show Cause notice and the hearing in the matter is yet to commence.

6. SEBI had issued Adjudication Show Cause Notice dated July 31, 2020 with respect to investment made by NSE and in its subsidiary in certain entities. SEBI vide its order dated October 01, 2020 has levied a penalty of ₹ 6 Crore on NSE. NSE has preferred an appeal against the SEBI order and the Hon'ble SAT has stayed the order. The matter is pending before SAT.
7. SEBI vide its Order dated August 25, 2020, had levied a penalty of ₹ 50 lakhs on the Company, in relation to the encashment of leaves by former Managing Directors, for the violation of Regulation 27(4) of the SECC Regulations. The Company with the approval of its Board taken at its meeting held on October 5, 2020, has

deposited the said amount of penalty.

8. SEBI also issued Adjudication Show Cause Notice dated January 07, 2021 to NSE with respect to the default of Karvy Stock Broking Limited and erstwhile trading member registered with NSE. NSE has filed its response with SEBI and the matter is yet to be heard.
9. SEBI issued Adjudication Show Cause Notice dated March 26, 2021 to NSE with respect to STP centralised hub services provided by NSE. Settlement application on the matter was filed with SEBI on April 23, 2021, which is pending disposal at SEBI.

III. 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 the Regulatory Oversight Committee / Chairman of Audit Committee, as the case may be. No personnel has been denied access to the relevant Committee.

During the year under review, the Annual Review of the Vigil Mechanism /Whistle Blower Policy was carried out. The details of Vigil Mechanism are provided on our Company's website at <https://www.nseindia.com/regulations/exchange-disclosures-details-of-vigil-mechanism>.

IV. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

As of March 31, 2021, no complaint was filed during FY, and hence no complaint was disposed-off and pending as at the end of FY.

V. 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.

VI. 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. The financial statements, in particular, the investments made by the subsidiary companies are reviewed by the Audit Committee of NSE. 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.

https://archives.nseindia.com/global/content/about_us/PolicyonDeterminingMaterialsubsidiaries.pdf

The Report of the Secretarial Audit of NCL is annexed herewith as Annexure 7(ii), in terms of the amendments in the LODR Regulations dated May 5, 2021. The Secretarial Audit Report of NCL does not contain any qualifications, reservation, adverse remarks or disclaimer.

VII. 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.

VIII. 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: <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.

IX. Redressal of shareholders’ complaints

NSE has constituted a Stakeholders Relationship Committee to look into and redress shareholder and investor complaints. During the year, your Company did not receive any grievance from its shareholder(s) in respect of transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc.

X. Certificate from a Company Secretary in Practice

M/s BNP & Associates, 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.

XI. The details regarding total fees for all services paid by NSE and its subsidiaries, on a consolidated basis, to the statutory auditor 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 ₹ Crores) to the Auditor
1	Audit fees	0.60
2	Limited review	0.30
3	Certification matters	0.02
4	Other services	0.02
	Total	0.94

XII. GENERAL BODY MEETINGS

Location, date and time of the general body meetings held in the last three years till March 31, 2021: -

Type of meeting	Date	Time	Venue	Special Resolution passed
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)].	-
27th Annual General Meeting	August 02, 2019	11.00 A.M	Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051	-
26th Annual General Meeting	August 03, 2018	11.00 A.M	Exchange Plaza, Bandra -Kurla Complex, Bandra (East), Mumbai- 400 051	-

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 2020-21.

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 11, 2021

Vikram Limaye
MD & CEO
DIN: 00488534

CEO AND CFO CERTIFICATE

To,

The Board of Directors,

National Stock Exchange of India Limited

We, Vikram Limaye, Managing Director & CEO and Yatrik Vin, Group CFO & Head Corporate Affairs of the National Stock Exchange of India Limited hereby certify to the Board that:

- a. We have reviewed financial statements and the cash flow statement for the year ended on March 31, 2021 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 control 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.

Vikram Limaye
Managing Director & CEO
DIN: 00488534

Place: Mumbai
Date: May 11, 2021

Yatrik Vin
Group CFO & Head Corporate Affairs

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of

National Stock Exchange of India Limited

We have examined all relevant records of National Stock Exchange of India Limited ('the Company') for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for financial year ended March 31, 2021. In terms of Regulation 33 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 the Company as a recognised Stock Exchange. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of this certification.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 the conditions of Corporate Governance as specified for listed companies.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency 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 2440 / CP No. 22856

UDIN : F002440C000278991

Place: Mumbai

Date: May 11, 2021

CERTIFICATE

[Pursuant to regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)]

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 registers, records, forms, returns and disclosures received from the Directors of National Stock Exchange of India Limited [CIN.: U67120MH1992PLC069769] (hereinafter called the ‘Company’) having its Registered Office at Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051 and also the information provided by the Company, its officers and the authorised representatives for the purpose of issuance of the Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 (LODR), as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or from continuing as Directors of the Company by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (‘MCA’) or any such other Statutory Authority.

Sr. No	Name of the Director	DIN	Date of Appointment in the Company*
1.	Mr. Girish Chandra Chaturvedi	00110996	November 8, 2019
2.	Mr. Vikram Limaye	00488534	July 17, 2017
3.	Mr. Narasimha Murthy	00023046	February 17, 2020
4.	Mr. Prakash Parthasarathy	02011709	May 30, 2012
5.	Ms. Sunita Sharma	02949529	October 19, 2016
6.	Ms. Anuradha Rao	07597195	November 8, 2019
7.	Mr. S Sudarshan	08636735	February 17, 2020
8.	Ms. Mona Bhide	05203026	April 21, 2020

*Dates of appointment have been obtained from the MCA.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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 2440 / CP No. 22856

UDIN : F002440C00027903

Place: Mumbai

Date: May 11, 2021

ANNEXURE 7(i) TO BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR FY ENDED ON MARCH 31, 2021

[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 [CIN: U67120MH1992PLC069769] (hereinafter called the "Company") for the audit period from April 1, 2020 to March 31, 2021 ('period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conduct / statutory compliances and for expressing our opinion thereon.

We are issuing this report based on:

- i. our verification of the books, papers, minute books, soft copies of documents as provided 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 financial year ended March 31, 2021 as well as before the date of issue of this report,
- ii. Compliance Certificates confirming Compliance with all laws applicable to the company provided by Key Managerial Personnel / Senior Managerial Personnel of the company and taken on record by the Audit Committee / Board of Directors, and
- iii. Representations made, documents shown, and information provided by the company, its officers, agents, and authorised representatives during our conduct of Secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended March 31, 2021, the Company has:

- (i) Complied with the statutory provisions listed hereunder, and
- (ii) Its Board-processes and compliance mechanism are in place to the extent, in the manner and subject to the

reporting made hereinafter.

Members are requested to read this Report, along with our letter of even date annexed to this report as Annexure-A.

1. Compliance with specific statutory provisions

We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:
 - i. The Companies Act, 2013 ("the Act") and the Rules framed thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 and the Rules framed 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;
 - 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 ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company as a recognised Stock Exchange pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.
- vi. The other laws as are specifically applicable to the Company are:
- SEBI Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Stock Exchange;
 - Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulation');
 - Prevention of Money Laundering Act, 2002.
- vii. Secretarial Standards issued by The Institute of Company Secretaries of India ("Secretarial Standards") relating to meetings of the Board and its Committees and General Meetings.
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2021, but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :
- Complied with the applicable provisions/ clauses of the Act, Rules and SEBI Regulations mentioned above.
 - Complied with the applicable provisions/ clauses of 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 (vii) above to the extent applicable to Board meetings and Committee meetings held during the review period and the 28th Annual General Meeting ("AGM") held on September 25, 2020. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vii)] with regard to the Board meeting and Committee meetings held through video conferencing during the review period were verified based on the minutes of the meeting provided by the Company.
- 1.3. We are informed that, during the year, the Company as the Stock Exchange was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of External Commercial Borrowings;
 - The following Regulations and Guidelines prescribed under the SEBI Act: -
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- We further report that –**
- SEBI vide its Order dated August 25, 2020, had levied a penalty of ₹ 50 lakhs on the Company for the violation of Regulation 27(4) of the SECC Regulations. The Company with the approval of its Board taken at its meeting held on October 5, 2020, has deposited the said amount of penalty.
 - SEBI had issued Adjudication Show Cause Notice dated July 31, 2020 with respect to investments made by the Company and in its subsidiaries in certain entities. SEBI vide its order dated October 01, 2020 has levied a penalty of ₹ 6 crore on the Company. An appeal has been made by the Company against the SEBI order and the Hon'ble SAT has stayed the direction vide its order dated December 11, 2020. The matter is pending before SAT.
 - The Company has received an Adjudication Show Cause Notice from SEBI dated January 7, 2021 with respect to the default of Karvy Stock Broking Limited, an erstwhile trading member registered with the Stock Exchange. The Company has filed its

response with SEBI on the same and the matter is yet to be heard.

- d) SEBI issued Adjudication Show Cause Notice dated March 26, 2021 to the Company with respect to Straight Through Processing (STP) centralised hub services provided by the Company. The primary violations alleged under the SCN against the Company are failure to renew its approval to act as the Hub after obtaining initial approval of SEBI in 2004 and that the Company as Hub, failed to ensure that STP service providers held valid approvals for continuing to act as such. The SCN alleges that the Company is in violation of Clauses 3(1), 4(1)(i), 6(1)(i) and 6(1)(ii) of the SEBI (STP Centralised Hub and STP Service Providers) Guidelines, 2004, read with Section 15HB (penalty which shall not be less than one lakh rupees but which may extend to one crore rupees) of the SEBI Act and Section 23H of SCRA (penalty which may extend to one crore rupees). The Company has filed the settlement application on April 23, 2021 in terms of the SEBI Settlement regulation.

2. Board processes

We further report that

- 2.1. The Board of Directors of the Company as on March 31, 2021, comprised of:
- i. One Executive Director;
 - ii. Two Non-Executive Non-Independent Directors (Shareholder Directors); and
 - iii. Five Non-Executive Independent Directors [Public Interest Directors (“PID”)], including Women Independent Directors.
- 2.2. The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and SECC Regulation:
- i. Appointment of Ms. Mona Bhide (DIN: 05203026) as a Public Interest Director of the Company with effect from April 21, 2020 to hold office for a period of 3 years.
 - ii. Retirement of Mr. Abhay Havaladar (DIN: 00118280) as a Shareholder Director of the Company with effect from September 26, 2020.

2.3. Adequate notices was given to all Directors of the Company to schedule the Board Meetings (including Committees constituted by the Board), Agenda and detailed notes on were sent at least 7 (seven) days in advance, and where the same were given at shorter notice lesser than seven days, more than one Independent Director was present at the Board Meeting as required under Section 173(3) of the Act and Secretarial Standard related to Board Meetings.

2.4. 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.

2.5. Decisions at the Meetings of the Board of Directors of the Stock Exchange were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the Audit Period.

3. Compliance mechanism

There are reasonably adequate systems and processes 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 event(s)/action(s)

During the year, the Company has not taken any major step, which has a major bearing on its affairs in pursuance of any of the above referred laws, rules, regulations, guidelines, standards, etc. Hence we have nothing to report on the same.

For BNP & Associates

Company Secretaries

[Firm Regn. No. P2014MH037400]

PR No. 637/2019

Kalidas Ramaswami

Partner

FCS 2440 / CP No. 22856

UDIN: F002440C000278971

Place: Mumbai

Date: May 11, 2021

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,
National Stock Exchange of India Limited,

Our 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 action taken by the company after March 31, 2021, but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal /professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
7. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
8. 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 2440 / CP No. 22856

UDIN: F002440C000278971

Place: Mumbai

Date: May 11, 2021

ANNEXURE 7 (ii) TO BOARD'S REPORT
[Secretarial Audit Report of NSE Clearing Limited, material subsidiary of NSE]
FORM NO. MR - 3
SECRETARIAL AUDIT REPORT

FOR FY ENDED ON MARCH 31, 2021

[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 Audit Committee/Board of Directors/Members

NSE Clearing Limited

Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
 Bandra (East), Mumbai 400051

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited) having CIN No. U67120MH1995PLC092283 (hereinafter called the 'Company') during the financial year from April 01, 2020 to March 31, 2021, ('the year'/ 'audit period'/ 'period under review').

We have conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conducts/statutory compliances/board processes and expressing our opinion thereon.

We are issuing this report based on:

- (i) our verification of the books, papers, minute books, scanned copies of minutes of Board and Committee, statutory registers, soft copy of the various records sent over mail as provided 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 year ended 31st March 2021 as well as before the issue of this report;
- (ii) Compliance Certificates confirming Compliance with all laws applicable to the company given by Key Managerial Personnel / Senior Managerial Personnel of the company and taken on record by Audit Committee / Board of Directors, and;
- (iii) Representations made, documents shown and information provided by the company, its officers, agents, and authorised representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the year ended on 31st March 2021 the Company has:

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanism are in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read along with our letter of even date annexed to this report as Annexure-A.

1. Compliance with specific statutory provisions

We further report that:

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 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) Foreign Exchange Management Act, 1999 and Rules and Regulations made thereunder, of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (to the extent applicable);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) 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;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable to recognised Clearing Corporations pursuant to Securities Contract (Regulation) (Stock Exchange and Clearing Corporation) Regulations, 2018; and
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial standards).
- (vii) Following other laws as applicable specifically to the Company are:
- a) The Securities Exchange Board of India Act, 1992;
- b) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018; and
- c) Rules, Regulations, Circulars, Orders, Notification and Directives issued under the above statutes to the extent applicable.
- 1.2 During the period under review, and also considering the compliance related action taken by the company after March 31, 2021 but before the issue of this report, 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, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii), (iii), (iv) (v) and (vii) of paragraph 1.1 above.
- (ii) Complied with the applicable provisions/ clauses of :
- (a) The Act and rules mentioned under paragraph 1.1 (i);
- (b) The Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board and Committee meetings held during the quarter and 25th Annual General Meeting held on July 16, 2020 (25th AGM) and Extra Ordinary General Meeting held on September 01, 2020 and the Resolutions passed by Circulation. The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi)] with regard to the Board/ Committee meeting held through video conferencing were verified based on the minutes of the meeting provided by the company.
- 1.3 We are informed that, during/ in respect of the year, the company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- 1.4 There was no other law that was specifically applicable to the company, considering the nature of its business. Hence the requirement to report on compliance with any other specific law under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes:

We further report that:

2.1 The Board of Directors of Company as on March 31, 2021 comprised of:

- (i) One Executive Director,
- (ii) One Non- Executive Non Independent Director, and
- (iii) Five Non-Executive Independent Directors, including a woman Independent Director.

2.2 The processes relating to the following changes in the composition of the board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:

- i. Mrs. Bhagyam Ramani was re-appointed as Independent Director (Public Interest Director) for her second term of three years w.e.f. June 01, 2020 to May 30, 2023.
- ii. In 25th AGM, Mr. J Ravichandran (DIN: 00073736) retired by rotation and decided not to be re-appointed, thus ceased to be the director of the company w.e.f. 17.07.2020.
- iii. In the 25th AGM Mr. K.S Somasundaram (DIN: 08785903) was appointed as Shareholder Director, approval of the same was received on August 17, 2020 from Securities Exchange Board of India.
- iv. Approval was received from Securities Exchange Board of India in connection with appointment of Mr. Vikram Kothari for his second term as MD of the company with effect from November 07, 2020 for a further period of three years.

2.2 Adequate notice was given to all the directors to enable them to plan their schedule for the Board and Committee meeting.

2.3 Notice, Agenda and detailed notes on agenda of Board and Committee meetings was sent to directors at least seven days in advance.

2.4 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.

2.5 We note from the minutes verified that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

There are adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. During the year under review Mr. Chirag Nagda was appointed as the Company Secretary and Key Management Personnel as per the SECC regulations and Companies Act, 2013 and also the Senior Management Personnel of the Company in board meeting held on June 09, 2020. Late Mr. Jay Kumar was a Company Secretary of the Company till then.

For BNP & Associates

Company Secretaries

[Firm Regn. No. P2014MH037400]

Avinash Bagul

Partner

FSC 5578/CP No 19862

PR No 637/2019

UDIN : F005578C000245180

Place: Mumbai

Date: May 05, 2021

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 Audit Committee/ Board of Directors/Members,
NSE Clearing 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 action taken by the company after 31st March 2021 but before the issue of this report.
4. We have considered compliance related actions taken by the company based on independent legal /professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the company on a test basis. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
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]

Avinash Bagul

Partner

FSC 5578/CP No 19862

PR No 637/2019

UDIN : F005578C000245180

Place: Mumbai

Date: May 05, 2021

ANNEXURE 8 (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 92.27x.
- 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 8%, 6% and 6% respectively.
* There has been a change in the Company Secretary on account of superannuation and new Company Secretary has been appointed with effect from December 01, 2020.
- iii. The percentage increase in the median remuneration of employees in the financial year:
The percentage increase in the median remuneration of employees in the financial year is around 1.32%.
- iv. The number of permanent employees on the rolls of the Company:
As on March 31, 2021, there are 1,002 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:
The average percentile increase for the employees and the managerial personnel has been 6 % in the last financial year. Apart from the performance based normal increment, there was no other exceptional salary revision given in FY 2020-21.
Note: KMPs under Companies Act and KMPs under SECC Regulations are considered as managerial personnel.
- 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 8(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	Mr. Vikram Limaye MBA, CA # &	54	Managing Director & CEO	8,89,67,051	4,95,84,953	32	July 17, 2017	Managing Director & CEO, IDFC Limited
2	Mr. J. Ravichandran B. Com, B.L., FCS # &	60	Group President	4,90,46,681	1,96,33,092	34	August 12, 1994	Dy. Secretary & Manager (Legal), Raymond Synthetics Limited
3	Mr. Ravi Varanasi B. Sc., CAIIB # &	58	Chief Business Development Officer	2,36,12,670	1,34,23,265	33	July 03, 1995	Senior Deputy Manager, The Vysya Bank Ltd.
4	Mr. Yatrik Vin M.Com, AICWA # & \$	54	Group CFO & Head Corporate Affairs	2,82,57,262	1,31,53,154	33	February 21, 2000	Manager (Finance & Accounts), Godrej & Boyce Mfg. Co. Ltd.
5	Ms. Nisha Subhash C.A # &	50	Senior Vice President	1,24,18,840	82,26,464	26	December 26, 1995	Equity Analyst, Kothari Share & Stock Brokers Private Limited
6	Mr. Hari K. AICWA, ACS #	54	Chief Business Officer	2,50,17,973	1,55,77,689	32	May 29, 1995	Cost Accountant, KCP Ltd.
7	Mr. Shiv Kumar Bhasin B.E, M.TECH # &	50	Chief Technology & Operations Officer	1,81,57,552	1,20,33,318	19	January 02, 2019	Chief Technology Officer, State Bank of India
8	Mr. Arijit Sengupta PGDBM	54	Senior Vice President	1,65,23,036	1,06,04,079	31	May 02, 2019	Group Head, Global Communication & CSR, Wadhawan Global Capital
9	Mr. Dinesh Soni M.B.A, Phd # &	48	Senior Vice President	94,10,681	62,32,297	25	October 31, 2014	Deputy General Manager, Pension Fund Regulatory & Development Authority
10	Mr. S Madhavan C.S, LLB # & @	60	Company Secretary	69,79,599	46,77,390	33	August 02, 2016	Associate Vice President and Company Secretary, JSW Energy Limited
11	Mr. Tirthankar Patnaik B.Sc., PHD	45	Chief Economist	1,62,33,932	1,04,40,616	21	March 01, 2019	Chief Strategist & Head Of Research, Mizuho Bank Ltd
12	Mr. Somasundaram K S B.E, PGDM # &	50	Chief Enterprise Risk & Info Security Officer	1,85,76,672	1,18,76,763	25	October 04, 2018	Senior President and Chief Compliance Officer, Yes Bank Limited
13	Mr. Rohit Gupte ACS, AICWA # @	50	Company Secretary	36,74,829	24,34,823	31	November 17, 2020	Vice President, Deutsche Bank AG
14	Mr. M Sheshadri B.E # &	51	Head - Cyber & Info Security	83,85,090	56,82,892	28	June 01, 2018	Chief Information Security Officer, NSE Infotech Services Limited
15	Mr. M Vasudev Rao B. Com., LLB, FCS # &	53	Group General Counsel	1,36,83,343	90,70,279	29	November 01, 2012	Associate Vice President, Bennett Coleman & Company Ltd.
16	Mr. Nagendra Kumar SRVS PGDM	48	Chief Business Officer	1,01,90,415	56,85,076	26	July 16, 2009	Manager, Accenture India Ltd

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			
17	Mr. Mayur Sindhwa ICWA, ACS # & \$	46	Senior Vice President	1,70,52,195	1,14,18,926	25	June 01, 2009	Assistant Vice President, Edelweiss Securities Ltd
18	Mr. Saurov Ghosh Dip in LL&W, MPM # &	52	Group Head - Human Resource	1,90,25,623	1,23,37,374	27	November 02, 2017	Chief HR Officer - Textiles, Aditya Birla Group
19	Ms. Priya Subbaraman LLB, ACS # &	50	Chief Regulatory Officer	1,85,49,278	1,20,06,890	24	February 01, 2018	Head - Compliance, Standard Chartered Bank
20	Mr. G. M. Shenoy B.E, M.F.M. # & \$	60	Chief Technology Officer - Ops, Trading	2,08,60,536	1,02,00,065	37	June 01, 2018	Chief Technology Officer - Ops, Trading, NSE Infotech Services Ltd.
21	Ms. Renu Bhandari MBA #	48	Vice President	64,43,714	46,47,520	29	November 18, 1996	Junior Stenographer, Delhi Stock Exchange Association
22	Ms. Yukti Sharma CA #	41	Associate Vice President	50,46,231	38,40,412	18	January 22, 2008	Internal Audit Manager, ICICI Lombard
23	Mr. Avishkar Naik CA, CS # &	42	Head - Listing Compliance	76,20,969	54,53,512	21	January 27, 2004	CA RV Kadrekar & Company

Notes :

- Gross Remuneration includes Salary and other benefits, 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.
- Besides the above, leave encashment amounting to ₹29,14,764, ₹ 11,11,641, ₹ 1,01,628, ₹ 1,73,208, ₹ 11,57,265, ₹ 6,32,552, ₹ 1,48,552, ₹ 6,08,739, ₹ 6,05,103, ₹ 1,11,492, ₹ 1,51,894 and ₹ 3,31,392 was paid to Mr. J. Ravichandran, Mr. Ravi Varanasi, Mr. Nagendra Kumar SRVS, Mr. Mayur Sindhwa, Mr. Yatrik Vin, Ms. Nisha Subhash, Mr. Dinesh Soni, Mr. S Madhavan, Mr. G M Shenoy, Ms. Renu Bhandari, Ms. Yukti Sharma and Mr. Avishkar Naik respectively and interest on withheld variable pay for FY 2016-17 of ₹ 1,49,503, ₹ 3,40,353 and ₹ 88,614 was paid to Mr. Yatrik Vin, Mr. Mayur Sindhwa and Mr. G M Shenoy respectively.
- Employees, whose names were marked with # are Key Management Personnel under SCR (SECC) Regulations, 2018 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 namely Mr. Yatrik Vin (Gross ₹ 7,44,152 - Net ₹ 4,53,932), Mr. Mayur Sindhwa (Gross ₹ 16,94,105 - Net ₹ 10,86,265) and Mr. G M Shenoy (Gross ₹ 3,80,136 - Net ₹ 2,43,746)
- Other employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules. Employees whose names have been marked with @ were employed with the company for part of the year.
- None of the employees mentioned above is a relative of any Director.
- Employees, in respect of whom Rule 5(2) applies but are on deputation to subsidiary company and in respect of whom the remuneration is recovered are shown under statement prepared under Rule 5(2) of that subsidiary company(ies) to avoid duplication.
- 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.
- The Company does not have any Employees Stock Option Plan(ESOP) Scheme for its employees.

ANNEXURE 9

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	Mr. Vikram Limaye #	8,89,67,051	9,64,215	92.27
2	Mr. J. Ravichandran #	4,90,46,681	9,64,215	50.87
3	Mr. Ravi Varanasi #	2,36,12,670	9,64,215	24.49
4	Mr. Yatrik Vin # \$	2,82,57,262	9,64,215	29.31
5	Mr. Somasundaram K S #	1,85,76,672	9,64,215	19.27
6	Ms. Priya Subbaraman #	1,85,49,278	9,64,215	19.24
7	Mr. Saurov Ghosh #	1,90,25,623	9,64,215	19.73
8	Mr. Shiv Kumar Bhasin #	1,81,57,552	9,64,215	18.83
9	Mr. G. M. Shenoy # \$	2,08,60,536	9,64,215	21.63
10	Mr. Hari K	2,50,17,973	9,64,215	25.95
11	Mr. Mayur Sindhwad # \$	1,70,52,195	9,64,215	17.69
12	Mr. M Vasudev Rao #	1,36,83,343	9,64,215	14.19
13	Mr. S Madhavan # @	69,79,599	9,64,215	7.24
14	Mr. Rohit Gupte @	36,74,829	9,64,215	3.81
15	Ms. Nisha Subhash #	1,24,18,840	9,64,215	12.88
16	Mr. Dinesh Soni #	94,10,681	9,64,215	9.76
17	Mr. M Sheshadri #	83,85,090	9,64,215	8.70
18	Mr. Avishkar Naik #	76,20,969	9,64,215	7.90
19	Ms. Renu Bhandari	64,43,714	9,64,215	6.68
20	Ms. Yukti Sharma	50,46,231	9,64,215	5.23

Notes :

- Gross Remuneration includes Salary and other benefits, 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.
- Besides the above, leave encashment amounting to ₹ 29,14,764, ₹ 11,11,641, ₹ 1,73,208, ₹ 11,57,265, ₹ 6,32,552, ₹ 1,48,552, ₹ 6,08,739, ₹ 6,05,103, ₹ 1,11,492, ₹ 1,51,894 and ₹ 3,31,392 was paid to Mr. J. Ravichandran, Mr. Ravi Varanasi, Mr. Mayur Sindhwad, Mr. Yatrik Vin, Ms. Nisha Subhash, Mr. Dinesh Soni, Mr. S Madhavan, Mr. G M Shenoy, Ms. Renu Bhandari, Ms. Yukti Sharma and Mr. Avishkar Naik respectively and interest on withheld variable pay for FY 2016-17 of ₹ 1,49,503, ₹ 3,40,353 and ₹ 88,614 was paid to Mr. Yatrik Vin, Mr. Mayur Sindhwad and Mr. G M Shenoy respectively.
- 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 namely Mr. Yatrik Vin ₹ 7,44,152, Mr. Mayur Sindhwad ₹ 16,94,105 and Mr. G M Shenoy ₹ 3,80,136.
- Employees marked with @ were employed with the company for part of the year.

ADDENDUM TO THE BOARD'S REPORT

(The Annexures / Attachments to the Board's Report dated May 11, 2021 should be read in conjunction with this Addendum Report)

Dear Members,

Recommendation of Dividend

The Directors at their meeting held on May 11, 2021 did not propose a final dividend for FY 2020-21 due to insufficient free cash after providing for business and operating needs. As indicated, the Company had made an application to the Hon'ble SAT for withdrawal of the colocation money held in the separate account, including discontinuing of further transfer of future revenues to the separate 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 Crore into an interest-bearing account with SEBI which has been remitted by the Company on June 17, 2021.

In view of the above, the Board of Directors at its meeting held on June 18, 2021 have recommended the payment of final dividend of ₹ 24.75 per fully paid equity share (FV ₹ 1 each) to the shareholders for FY 2020-21. This final dividend outflow shall amount to ₹ 1,225.13 crores. The payment of final dividend is subject to approval of the shareholders at the forthcoming Annual General Meeting. The final dividend so declared shall be paid by means of direct credit to the member's bank account on or before fifteenth day from the date of approval by shareholders to those shareholders whose names appear in the Register of members of NSE as on August 18, 2021, being the date fixed for eligibility for the purpose of the final dividend.

Without amending the Note No. 4.4.1 of the Board's Report dated May 11, 2021, a note on recommendation of final dividend as above as an addendum to Board's Report has been thought fit by the Board.

Members may please note that any mention of the recommendation of the final dividend for FY ended March 31, 2021, if any, made in the Notes to the Audited Annual Accounts and/or any other reports of the Board of Directors, should be read as per the above note. The Annexures / Attachments to the Board's Report dated May 11, 2021 should be read in conjunction with this Addendum Report.

Audited Standalone Financial Statements

Due to the declaration of the final dividend for FY ended

March 31, 2021, the financial statements stand amended to the extent that Note 36 and Note 48 therein should be read in conjunction with each other. Except this amendment, no other change has been made in the audited financial statements.

Auditors' Report on Standalone Financial Statements

Statutory Auditors

The Statutory Auditors have submitted the amended Auditors' Report after addition of Note 48 to the annual financial statement for the year ended March 31, 2021. The amended Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. The amended Auditors' Report has been issued with unmodified opinion on the annual financial results of the Company.

Audited Consolidated Financial Statements

Due to the declaration of the final dividend for FY ended March 31, 2021, the financial statements stand amended to the extent that Note 46 and Note 55 therein should be read in conjunction with each other. Except this amendment, no other change has been made in the audited financial statements.

Auditors' Report on Consolidated Financial Statements

Statutory Auditors

The Statutory Auditors have submitted the amended Auditors' Report after addition of Note 55 to the annual financial statement for the year ended March 31, 2021. The amended Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer. The amended Auditors' Report has been issued with unmodified opinion on the annual financial results of the Company.

Acknowledgements

The Board of Directors thanks all the stakeholders of the Company for their continued support during this time of crisis.

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi

Chairman

Date: June 18, 2021

DIN: 00110996



CONSOLIDATED FINANCIAL STATEMENTS

[To be read in conjunction with the Addendum
to the notes to Consolidated Financial Statement
(refer page no 361)]

Independent Auditor's Report

To the Members of

National Stock Exchange of India Limited

This report amends our earlier report dated May 11, 2021

Report on the Audit of the Consolidated Financial Statements as of and for the year ended March 31, 2021

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 associates, (refer Note 39 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss, 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 prepared based on the relevant records, (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 associates as at March 31, 2021, of consolidated total comprehensive income (comprising 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 associates 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 ("ICAI") 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 sub-paragraph 17 of the

Other Matters paragraph below, other than the unaudited financial statements/financial information as certified by the management and referred to in sub-paragraph 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 55 to the consolidated financial statements which describes the amendment to Note 46 to the consolidated financial statements made subsequent to the approval of the consolidated financial statements by the Board of Directors in their meeting held on May 11, 2021, consequent to the recommendation of the final dividend by the Board of Directors in their Board Meeting held on June 18, 2021, for the reasons disclosed in the aforesaid Note. Our audit procedures on the subsequent events insofar as it relates to the amendment to Note 46 are restricted solely to the aforesaid matter, and no effect has been given to any other events, if any, occurring after May 11, 2021 (being the date on which the financial statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date). Our opinion is not modified in respect of this matter.
5. We draw your attention to Note 34 (b) to the consolidated financial statements, relating to the contingent liability, that describes the Orders issued by the Securities and Exchange Board of India (SEBI) on April 30, 2019 wherein disgorgement/demand aggregating Rs. 687.47 crore (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the 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. SEBI has further directed the Holding Company to undertake certain remedial measures, actions and imposed restrictions. The Holding Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above orders. Adjudication Hearing before SEBI is pending related to the Dark Fiber point to point connectivity and Governance and related matters. Adjudication hearing on preferential access to tick by tick data at the Company's Colocation facility has been completed and SEBI has

levied penalty of Rs 1 crore. The Holding Company has deposited Rs 687.47 crore with SEBI in respect of these orders and continues to transfer revenues emanating from the colocation facility to a separate bank account, which are then invested along with accruals thereon and have been shown under restricted/earmarked investments and bank balances in the consolidated financial statements. The Holding Company has filed appeals to contest the aforesaid orders and adjudication order relating to preferential access to tick by tick data at Holding Company's Colocation facility with the Hon'ble Securities Appellate Tribunal, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Holding Company,

no provision for any liability has been made towards the aforesaid demand from the Orders, including any monetary penalty from the pending as well as concluded Adjudication proceedings in the consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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 34, to the consolidated financial statements]</p> <p>As of March 31, 2021, the Holding Company has outstanding regulatory proceedings inspections including inquiries with 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, applicability of service tax on certain services (uncertain tax positions), case filed by competitor against the Holding Company under Competition Appellate Tribunal and various other ongoing litigations including claims by its members.</p> <p>The Holding Company has assessed the above pending litigations, regulatory matters and proceedings and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated 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 consolidated financial statements.</p>	<p>Our audit procedures related to legal, regulatory and tax matters included–</p> <ul style="list-style-type: none"> • Understanding and 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. • Obtaining details of litigations in respect of legal, direct and indirect tax matters and SEBI related regulatory proceedings inspections, inquiries. • Reviewing orders and/or communications with regulatory authorities and Management responses thereto. • 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. • Evaluating, along with the auditor's experts, the status of the direct and indirect tax matters. • Examining expert's legal advice/opinion obtained by the Holding Company's Management for evaluating certain legal, regulatory and tax matters. • Evaluating competence and capabilities of the Management's experts. • Assessing the adequacy of disclosures related to these matters in the consolidated financial statements. <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>

Key audit matter	How our audit addressed the key audit matter
<p><u>Appropriateness of provision for Contribution made to Investor Protection Fund Trust (IPFT)</u></p> <p>[Refer Note 49 to the consolidated financial statements]</p> <p>During the year ended March 31, 2021, in order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI has comprehensively reviewed the existing framework in consultation with Stock Exchanges. Basis such review, SEBI decided to augment NSE IPF's Corpus and assessed required IPF corpus to be Rs 1,500 crores. The Holding Company was directed to transfer the requisite amount to bring the Corpus to Rs. 1,500 crores.</p> <p>The Holding Company has paid Rs. 1,701 crores to NSE IPFT during the year ended March 31, 2021. Additionally, the Holding Company has also provided Rs. 121.05 crores in relation to the investors' claims related to defaulted members, which are yet to be processed by NSE IPFT. This provision has been estimated by applying past historical experience of claims admitted and paid to the outstanding claims of investors through the date of approval of these consolidated financial statements, including the maximum amount that can be paid to each investor in accordance with bye laws of NSE IPFT.</p> <p>Accordingly, amount of Rs. 1,822.05 crores has been recognised as an exceptional expense in the statement of profit and loss for the year ended March 31, 2021 considering the materiality of the amount, nature and incidence of this transaction.</p> <p>This area is considered as a key audit matter, considering these transactions arising from regulatory development during the current period had a significant effect on the consolidated financial statements. Additionally, evaluation of these matters requires Management judgement and estimation, to determine the measurement of provisions to be recognised, presentation of these transaction and related disclosures to be made in the consolidated financial statements.</p>	<p>Our audit procedures related to contribution to IPFT included–</p> <ul style="list-style-type: none"> • Obtaining details of SEBI communication in respect of contribution to NSE IPFT. • Testing the underlying supporting documentation for contribution made to NSE IPFT. • Obtaining confirmation from NSE IPFT with respect to amount of contribution made and details relating to investors claims. • Evaluating the method used by Management in estimating the provision to be made in the Standalone financial statements in respect of investor's claims yet to be processed and paid by the NSE IPFT. • Assessing the assumptions used in estimating the above provision such as past experience, including their potential impact on the range of possible outcomes on the amount of provision to be recognised in the Standalone financial statements. • Assessed the adequacy of presentation and disclosures made in respect of these matters in the consolidated financial statements. <p>Based on our above procedures, we considered the estimate for provision of contribution to be made by the Holding Company to NSE IPFT and related disclosures and presentation made in respect of these transactions in the consolidated financial statements to be reasonable.</p>

7. The following Key Audit Matter was included in the audit report dated May 5, 2021, 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, and is reproduced by us as under:

Key audit matter	How other auditor addressed the key audit matter
<p><u>Legal matters and uncertain tax positions</u></p> <p>As of March 31, 2021, NSE Clearing Limited has various ongoing litigations on legal matters and proceedings with tax authorities involving uncertain direct and indirect tax positions.</p> <p>Refer note 32 and 33 to the consolidated financial statements of NSE Clearing Limited. *</p>	<p>Our audit procedures related to legal matters and uncertain tax positions included–</p> <ul style="list-style-type: none"> • 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;

Key audit matter	How other auditor addressed the key audit matter
<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>	<ul style="list-style-type: none"> • Obtaining details of litigations on legal matters and uncertain direct and indirect tax positions. • Reviewing orders and management responses thereto. • 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; • Reviewing expert's legal advice/opinion obtained by NSE Clearing Limited's management for evaluating certain legal and tax matters; and • Evaluating competence and capabilities of the experts. <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 34 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 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 associates 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 associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group and its associates 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 associates are responsible for overseeing the financial reporting process of the Group and of its associates.

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 financial reporting 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 associates 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 associates 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 associates 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. We did not audit the financial statements of two subsidiaries and consolidated financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 18,001.31 crore and net assets of Rs. 4,348.64 crore as at March 31, 2021, total revenue of Rs. 1,256.06 crore, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 1,942.67 crore and net cash outflows amounting to Rs. 27.35 crore for the year ended on that date, as considered in the consolidated financial statements. 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 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 is based solely on the reports of the other auditors.
18. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 43.88 crore for the year ended March 31, 2021 as considered in the consolidated financial statements, in respect of

two associates whose financial information have not been audited. 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 associates 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 associates, is based solely on such unaudited financial information. The consolidated financial statements do not include the Group's share of total comprehensive income / (loss) in respect of two associates in which the investment of Rs. 24.56 crore made by the subsidiary company has been fully impaired. In our opinion and according to the information and explanations given to us by the Management, the financial information of these associates are not material to the Group.

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

19. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) 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.
 - (c) The consolidated Balance Sheet, the consolidated Statement of Profit and 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.
 - (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries none of the directors of the Group companies and its associates incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors as noted in the Other Matters paragraph:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associates— Refer Note 34 to the consolidated financial statements.
 - ii. The Group and its associates had long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Group and its associates did not have any derivative contracts as at March 31, 2021. Refer Note 53 to the consolidated financial statements.
 - iii. During the year ended March 31, 2021, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associates incorporated in India. Refer Note 54 to the consolidated financial statements.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2021.
20. The Group and its associates 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: 21105869AAAAAR2285

Place: Mumbai

Date: May 11, 2021 except as to Note 55 to the consolidated financial statements, which is as of June 18, 2021

Annexure A to Independent Auditor's Report

Referred to in paragraph 19(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, 2021

This report amends our earlier report dated May 11, 2021

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, 2021, 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"), its subsidiaries and its associates 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 subsidiaries and its associates, 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 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 on Audit of Internal Financial Controls Over Financial Reporting (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 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 consolidated financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability

of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 subsidiaries and its associates, 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, 2021, based on the internal control over financial reporting criteria established by the Holding 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.

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 financial statements of two subsidiaries companies and consolidated financial statements of two subsidiaries, 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 two associates, which are companies incorporated in India whose audit report is not available. In our opinion and according to information and explanations given to us by the Management, the financial information of these four associates 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: 21105869AAAAAR2285

Place: Mumbai

Date: May 11, 2021 except as to Note 55 to the consolidated financial statements, which is as of June 18, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in Crores)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	704.96	497.39
Right of Use Asset	2 b	127.08	130.29
Capital work-in-progress	2	10.69	34.25
Goodwill	3	395.93	128.56
Other intangible assets	3	80.17	100.17
Intangible assets under development	3	36.06	80.11
Investment in associates accounted for using the equity method	39	466.66	424.76
Financial assets			
- Investments	4	4,142.06	2,518.39
- Other financial assets			
Non-current bank balances	5	1,549.92	770.82
Others	5	26.84	61.58
Income tax assets (net)	21	514.36	504.53
Deferred tax assets (net)	19 (c)	5.50	29.96
Other non-current assets	7	720.38	723.70
Total non-current assets		8,780.61	6,004.51
Current assets			
Financial assets			
- Investments	9	5,220.42	3,577.94
- Trade receivables	10	998.58	652.11
- Cash and cash equivalents *	11	9,169.07	9,237.90
- Bank balances other than cash and cash equivalents *	12	4,288.48	3,300.49
* Includes ₹ 8,296.97 crores (Previous Year : ₹8,702.82 crores) pertaining to Settlement obligation and margin money from members			
- Other financial assets	6	563.38	772.27
Other current assets	8	185.10	185.11
Total current assets		20,425.03	17,725.82
Assets classified as held for sale	39	-	440.00
TOTAL ASSETS		29,205.64	24,170.33
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 a	49.50	49.50
Other equity	13 b	11,586.43	8,571.76
Equity attributable to owners of National Stock Exchange of India Limited		11,635.93	8,621.26
Non Controlling Interest	13 b	0.02	0.73
Total Equity		11,635.95	8,621.99
SETTLEMENT GUARANTEE FUND			
- Core Settlement Guarantee Fund paid	37	3,538.58	3,158.47
- Core Settlement Guarantee Fund payable	37	4.24	18.20
- Settlement Guarantee Fund paid - Commodity Derivatives	37	250.00	250.00
		3,792.82	3,426.67

Consolidated Balance Sheet (contd...)

Particulars	Notes	(₹ in Crores)	
		As at 31.03.2021	As at 31.03.2020
INVESTOR PROTECTION FUND	38 b	0.11	0.10
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	36	54.03	54.05
- Other financial liabilities	15	12.96	-
Provisions	17 a	30.92	34.84
Deferred tax liabilities (net)	19 (c)	118.27	152.25
Contract Liabilities	17 b	21.23	16.54
Other non-current liabilities	22	5.41	5.41
Total non-current liabilities		242.82	263.09
Current liabilities			
Financial liabilities			
- Lease liabilities	36	16.80	14.92
- Deposits	24	1,980.38	1,884.01
- Trade payables	14		
Total Outstanding dues of micro enterprises and small enterprises		1.78	1.21
Total Outstanding dues of creditors other than micro enterprises and small enterprises		238.72	165.25
- Other financial liabilities *	16	8,517.75	8,996.21
* Includes ₹ 8,296.97 crores (Previous Year : ₹8,702.82 crores) pertaining to Settlement obligation and margin money from members		10,755.43	11,061.60
Provisions	18 a	89.12	87.11
Contract Liabilities	18 b	1.08	0.31
Income tax liabilities (net)	20	239.30	197.25
Other current liabilities	23	2,449.01	512.21
Total current liabilities		13,533.94	11,858.48
TOTAL LIABILITIES		13,776.76	12,121.57
TOTAL EQUITY AND LIABILITIES		29,205.64	24,170.33
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

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Director

[DIN: 00110996]

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 11, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2021	For the year ended 31.03.2020
INCOME			
Revenue from operations	25	5,624.82	3,507.93
Other income	26	577.51	389.59
Total income		6,202.33	3,897.52
EXPENSES			
Employee benefits expense	27	479.84	429.90
Depreciation and amortisation expense	2, 2(b), 3	226.01	180.78
Other expenses	28	1,004.30	812.08
Total expenses		1,710.15	1,422.76
Profit Before Exceptional Items, Core Settlement guarantee fund (Core SGF), Share of Net Profits of Investments accounted for using equity method and tax		4,492.18	2,474.76
Share of net profit of associates accounted by using equity method	39	65.90	112.57
Profit Before Exceptional Items, Contribution to Core SGF and tax		4,558.08	2,587.33
Add / (Less) : Exceptional Items			
Contribution to Investor Protection Fund Trust (IPFT)	49	(1,822.05)	-
Profit on sale of investment in Computer Age Management Services Limited	39.2	1,735.09	-
Provision for Impairment of Intangible assets under development	52	(68.23)	-
Profit after exceptional items before Contribution to Core SGF and tax		4,402.89	2,587.33
(Reversal) / Contribution to Core SGF	50	(62.08)	62.08
Profit before tax		4,464.97	2,525.25
Less : Tax expense			
Current tax expense	19 (a)	901.78	663.89
Deferred tax expense / (benefit)	19 (a)	(10.23)	(23.42)
Total tax expenses		891.55	640.47
Net Profit after tax (A)		3,573.42	1,884.78
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Changes in fair value of FVOCI debt instruments	13 b	7.41	29.26
Changes in foreign currency translation reserve	13 b	(2.28)	7.47
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	(1.87)	(9.12)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	13 b	(0.49)	(7.91)
Share of other comprehensive income of associates accounted for using the equity method	13 b	(1.33)	(1.15)
Changes in fair value of FVOCI equity instruments	13 b	4.52	(12.15)

Consolidated Statement of Profit and Loss (contd...)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2021	For the year ended 31.03.2020
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	0.26	2.10
Share of other comprehensive income of associates accounted for using the equity method	13 b	0.33	0.29
Changes in fair value of FVOCI equity instruments	13 b	(0.09)	3.24
Total other comprehensive income for the year, net of taxes (B)		6.46	12.03
Total comprehensive income for the year (A+B)		3,579.88	1,896.81
Profit is attributable to :			
Owners of National Stock Exchange of India Limited		3,573.72	1,885.04
Non-Controlling Interests		(0.30)	(0.26)
Other comprehensive income/(loss) is attributable to :			
Owners of National Stock Exchange of India Limited		6.44	12.02
Non-Controlling Interests		0.02	0.01
Total comprehensive income is attributable to :			
Owners of National Stock Exchange of India Limited		3,580.16	1,897.06
Non-Controlling Interests		(0.28)	(0.25)
Earnings per equity Share attributable to owners of National Stock Exchange of India Limited (Face value of Re.1 each)	29		
Basic & Diluted (₹)		72.20	38.08
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

Director

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 11, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(₹ in Crores)	
(A) Equity share capital	
Balance as at 01.04.2019	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2020	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2021	49.50

Particulars	Reserves and Surplus						Other Reserves			Total other Equity	Non Controlling Interests	Total other Equity	
	Securities premium reserve	Retained earnings *	Liquidity Enhancement Scheme Incentive Reserve	Reserve Fund	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments	Foreign Currency Translation Reserve				Total other re-serves
Balance as at 01.04.2019	35.50	7,553.09	1.51	-	63.89	7,653.99	91.09	(11.67)	3.98	83.40	7,737.39	1.37	7,738.76
Profit for the year	-	1,885.04	-	-	-	1,885.04	-	-	-	-	1,885.04	(0.26)	1,884.78
Other Comprehensive Income	-	(6.68)	-	-	-	(6.68)	(8.91)	20.14	7.47	18.70	12.02	0.01	12.03
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(0.51)	-	-	-	(0.51)	-	-	-	-	(0.51)	-	(0.51)
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(8.94)	8.94	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	9.19	(9.19)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(131.08)	-	131.08	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners													
Dividend paid (including dividend distribution tax)	-	(1,062.18)	-	-	-	(1,062.18)	-	-	-	-	(1,062.18)	-	(1,062.18)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(0.39)	(0.39)
Balance as at 31.03.2020	35.50	8,237.93	1.26	131.08	63.89	8,469.66	82.18	8.47	11.45	102.10	8,571.76	0.73	8,572.49

Particulars	(₹ in Crores)												
	Reserves and Surplus				Other Reserves			Total other Equity	Non Controlling Interests	Total other Equity			
	Securities premium reserve	Retained earnings *	Liquidity Enhancement Scheme Incentive Reserve	Reserve Fund	Other re-serves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments				FVOCI debt instruments	Foreign Currency Translation Reserve	Total other re-serves
Balance as at 01.04.2020	35.50	8,237.93	1.26	131.08	63.89	8,469.66	82.18	8.47	11.45	102.10	8,571.76	0.73	8,572.49
Profit for the year	-	3,573.72	-	-	-	3,573.72	-	-	-	-	3,573.72	(0.30)	3,573.42
Other Comprehensive Income	-	(1.25)	-	-	-	(1.25)	4.43	5.54	(2.28)	7.69	6.44	0.02	6.46
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(20.99)	-	-	-	(20.99)	-	-	-	-	(20.99)	-	(20.99)
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(10.53)	10.53	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	10.79	(10.79)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(359.44)	-	359.44	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners													
Dividend paid	-	(544.50)	-	-	-	(544.50)	-	-	-	-	(544.50)	-	(544.50)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(0.43)	(0.43)
Balance as at 31.03.2021	35.50	10,885.73	1.00	490.52	63.89	11,476.64	86.61	14.01	9.17	109.79	11,586.43	0.02	11,586.45

Particulars

	31.03.2021	31.03.2020
* 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

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

For and on behalf of the Board of Directors
Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : May 11, 2021

Girish Chandra Chaturvedi

Director

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Rohit Gupte

Company Secretary

Statement of Consolidated Cash Flows for the year ended March 31, 2021

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	4,464.97	2,525.25
Adjustments for		
Depreciation and amortisation expense	226.01	180.78
Interest income from financial assets at amortised cost	(113.38)	(179.37)
Income from investments	(276.56)	(241.09)
Interest income from investments designated at FVOCI	(36.12)	(40.22)
Rental income	(6.14)	(5.69)
Dividend income from equity investments designated at FVOCI	(0.69)	(0.40)
Net gain on financial assets mandatorily measured at FVPL	(210.90)	(28.78)
Net gain on sale of financial assets measured at FVOCI	(5.45)	(7.04)
Net gain on sale of investments measured at amortised cost	(9.73)	(23.09)
Net gain on sale of financial assets mandatorily measured at FVPL	(175.46)	(93.68)
Profit on sale of investment in Computer Age Management Services Limited	(1,735.09)	-
Net (gain) / loss on disposal of property, plant and equipment	-	5.93
Doubtful debts written off	8.40	10.39
Provision for doubtful debts	3.10	1.55
Intangible assets under development written off	68.23	34.11
Share of net profit of associates accounted by using equity method	(65.90)	(112.57)
Interest on lease liabilities	6.62	7.15
Others	(2.27)	-
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(357.98)	(221.35)
Increase/(Decrease) in trade payables	74.04	38.33
(Increase)/Decrease in other financial assets	(7.88)	27.33
(Increase)/Decrease in other assets	4.78	(744.08)
Increase/(Decrease) in other financial liabilities	(448.67)	2,712.18
Increase/(Decrease) in provisions	(2.39)	17.78
Increase/(Decrease) in other liabilities	1,923.22	74.47
(Refund) / Proceeds of deposits	96.37	(7.37)
Change in Core Settlement Guarantee Fund balance	345.18	369.09
CASH GENERATED FROM OPERATIONS	3,766.31	4,299.61
Income taxes paid	(862.05)	(671.98)
NET CASH INFLOW FROM OPERATING ACTIVITIES - TOTAL (A)	2,904.26	3,627.63

Statement of Consolidated Cash Flows (contd...)

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant, equipment and intangibles	(377.62)	(315.42)
Proceeds from property, plant and equipment	0.42	26.40
Proceeds from rental income	6.14	5.69
(Payment) / proceeds from investments (Net)	(2,630.82)	(8.96)
Proceeds from sale of investment in Computer Age Management Services Limited	2,175.08	-
(Payment) / proceeds from investments in deposits with financial institutions (Net)	2.06	(185.12)
Payment for acquisition of subsidiary	(257.03)	(3.75)
Payment for investment in associates	(23.00)	-
(Payment) / proceeds from fixed deposits / Bank balances other than cash & cash equivalents (Net)	(1,810.18)	202.93
Interest received	463.30	424.23
Dividend received (including dividend from associate companies)	49.32	32.06
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)	(2,402.33)	178.06
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including dividend distribution tax)	(544.50)	(1,062.18)
Acquisition of non controlling interest in subsidiary (net of cash acquired)	(5.70)	(2.69)
Payment of lease liabilities	(13.94)	(11.61)
Interest on lease liabilities	(6.62)	(7.15)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)	(570.76)	(1,083.63)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(68.83)	2,722.06
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,237.90	6,515.84
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9,169.07	9,237.90
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(68.83)	2,722.06
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents	9,169.07	9,237.90
Bank overdrafts	-	-
Balances per statement of cash flows	9,169.07	9,237.90

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

Director

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 11, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Notes to consolidated financial statements for the year ended March 31, 2021

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, its subsidiary companies and associates (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

These consolidated financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and 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 financial statements for the year ended March 31, 2021 has been approved by the Board of directors of the Company in their meeting held on May 11, 2021.

(i) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets that are measured at fair value, and
- defined benefit plans - plan assets 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 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.

(ii) 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.

Notes to consolidated financial statements for the year ended March 31, 2021

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 (i) 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 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

Notes to consolidated financial statements for the year ended March 31, 2021

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.

(iii) Adoption of new Accounting Standards

(i) Ind AS 1 and Ind AS 8

Amendments have been made to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Ind AS and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

(ii) Ind AS 103

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

(iii) Ind AS 107, Ind AS 109 and Ind AS 37

The amendments made to Ind AS 107 Financial Instruments: Disclosures and Ind AS 109 Financial Instruments provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

(iv) Ind AS 116

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Amendment to Ind AS 16 Leases provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The amendments listed above 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 consolidated financial statements for the year ended March 31, 2021

(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 (INR), 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.

(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 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) Revenue from Technology services comprises Application Development and Maintenance services, E-learning Solutions and Infrastructure Management 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

Notes to consolidated financial statements for the year ended March 31, 2021

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.

- (v) Subscription and other fees related to data feed and licensing services – revenue is recognised over a period of time to which the fee relates.
- (vi) 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 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.

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

Notes to consolidated financial statements for the year ended March 31, 2021

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.

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.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to consolidated statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The dividend distribution tax paid by the subsidiaries for which the set off has been availed by the Parent company has been recognised in equity.

(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.

Notes to consolidated financial statements for the year ended March 31, 2021

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.

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

Notes to consolidated financial statements for the year ended March 31, 2021

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, 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(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) 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.

Notes to consolidated financial statements for the year ended March 31, 2021

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 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.

(iii) 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.

Notes to consolidated financial statements for the year ended March 31, 2021

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.

(iv) *Income recognition*

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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.

(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 CWIP)**

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.

Notes to consolidated financial statements for the year ended March 31, 2021

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	3 years
Computer systems – others	4 years
Computer software	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, computer software, 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.

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.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

Notes to consolidated financial statements for the year ended March 31, 2021

(q) Intangible assets

(i) Goodwill:

Goodwill on acquisitions of 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.

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.

Notes to consolidated financial statements for the year ended March 31, 2021

(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 and provident fund
- (b) defined contribution plans such as superannuation.

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.

Notes to consolidated financial statements for the year ended March 31, 2021

Provident fund

The Company has established 'National Stock Exchange of India Limited Employee Provident Fund Trust' and one of the subsidiary, NSE Infotech Services Limited has established 'NSE Infotech Services Limited Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary, respectively. Such contribution to the provident fund for all employees, are charged to the profit and loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is provided for by the Group.

One of the subsidiary, NSEIT Limited contributes to the Government administered fund and the same is charged to statement of profit and loss.

(iv) Defined contribution plans

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.

(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.

Notes to consolidated financial statements for the year ended March 31, 2021

(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) (formerly known as National Securities Clearing Corporation Limited), Indian Clearing Corporation Limited (ICCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) which clears and settles the trades of the exchange.

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 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 are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are presented separately from other assets in the balance sheet.

(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) Reclassification

Previous year figures have been reclassified / regrouped wherever necessary.

(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 useful life of intangible assets Note 3

Estimation of defined benefit obligation Note 30

Estimation of contingent liabilities refer Note 34

Estimation of provision for claims under IPFT Note 49

Notes to consolidated financial statements for the year ended March 31, 2021

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

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to Companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are:

- Disclosure of shareholding of promoters in specified format.
- Disclosure of current maturities of Long term borrowings under the head short term borrowings
- Disclosure of ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format.
- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Financial Ratios to be disclosed along with explanation with respect to items included in numerator and denominator.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The Group will evaluate the above and give effect as required by law.

Notes to consolidated financial statements for the year ended March 31, 2021

Note 2 : 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
Gross carrying amount													
Cost as at 01.04.2019	32.21	184.67	100.80	115.07	64.80	170.45	35.25	265.56	200.38	19.11	-	1,188.30	6.60
Additions	-	-	6.09	1.02	5.22	-	9.17	88.01	46.48	10.59	-	166.58	176.91
Disposals	-	(0.21)	(5.47)	(0.09)	(1.04)	-	(0.02)	(27.68)	(7.12)	-	-	(41.63)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(149.26)
Currency Fluctuation	-	-	0.37	0.28	0.24	-	0.02	1.83	0.45	-	-	3.19	-
Closing gross carrying amount	32.21	184.46	101.79	116.28	69.22	170.45	44.42	327.72	240.19	29.70	-	1,316.44	34.25
Accumulated depreciation													
Accumulated depreciation as at 01.04.2019	-	43.90	75.32	55.30	39.29	159.22	30.15	177.95	118.96	16.02	-	716.11	-
Depreciation charge for the year	-	3.07	9.76	8.13	5.28	5.74	4.19	43.53	41.47	3.75	-	124.92	-
Disposals	-	(0.06)	(5.47)	(0.09)	(1.04)	-	(0.02)	(11.86)	(4.56)	-	-	(23.10)	-
Currency Fluctuation	-	-	0.09	0.04	0.04	-	0.01	0.77	0.17	-	-	1.12	-
Closing Accumulated depreciation	-	46.91	79.70	63.38	43.57	164.96	34.33	210.39	156.04	19.77	-	819.05	-
Net carrying amount as at 31.03.2020	32.21	137.55	22.09	52.90	25.65	5.49	10.09	117.33	84.15	9.93	-	497.39	34.25
Gross carrying amount													
Cost as at 01.04.2020	32.21	184.46	101.79	116.28	69.22	170.45	44.42	327.72	240.19	29.70	-	1,316.44	34.25
Additions	-	2.22	19.20	3.00	6.12	19.17	4.65	230.36	65.51	20.84	0.00	371.07	310.51
Disposals	-	-	(0.92)	-	(0.11)	(77.78)	(5.10)	(2.36)	-	-	-	(86.27)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(334.07)
Currency Fluctuation	-	-	(0.18)	(0.13)	(0.31)	-	(0.01)	(0.56)	(0.14)	-	-	(1.33)	-
Closing gross carrying amount	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
Accumulated depreciation													
Accumulated depreciation as at 01.04.2020	-	46.91	79.70	63.38	43.57	164.96	34.33	210.39	156.04	19.77	-	819.05	-
Depreciation charge for the year	-	3.49	10.91	7.54	6.02	5.21	5.66	74.76	43.14	5.51	0.00	162.24	-
Disposals	-	-	(0.92)	-	(0.07)	(77.79)	(5.08)	(2.02)	-	-	-	(85.88)	-
Currency Fluctuation	-	-	(0.04)	(0.01)	(0.01)	-	(0.00)	(0.32)	(0.08)	-	-	(0.46)	-
Closing Accumulated depreciation	-	50.40	89.65	70.91	49.51	92.38	34.91	282.81	199.10	25.28	0.00	894.95	-
Net carrying amount as at 31.03.2021	32.21	136.28	30.24	48.24	25.41	19.46	9.05	272.35	106.46	25.26	0.00	704.96	10.69

Notes to consolidated financial statements for the year ended March 31, 2021

Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd.)

Note 2.1 : Includes investment property for which cost and fair value details are as follows:

Particulars	(₹ in Crores)	
	31.03.2021	31.03.2020
Net carrying amount of investment property	6.67	6.84
Fair value of investment property	93.40	93.40
Depreciation	0.17	0.17
Rental income	6.07	5.51
Direct operating expenses	(0.58)	(0.58)

Note 2.2 : Capital and other Contractual Commitment Refer Note 33

Estimation of fair value

The fair value of the Company's Investment properties as at March 31, 2021 and as at March 31, 2020, 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.

Note 2(b): Right-of-Use Asset

Particulars	Original cost				Accumulated Depreciation			Net Carrying Amount
	As at April 1, 2019	Additions	Disposals / Adjustments	As at March 31, 2020	As at April 1, 2019	Additions	Disposals / Adjustments	
Leasehold land	107.62	-	-	107.62	30.31	1.30	-	31.61
Buildings	68.92	-	-	68.92	-	14.64	-	14.64
Total	176.54	-	-	176.54	30.31	15.94	-	46.25

Particulars	Original cost				Accumulated Depreciation			Net Carrying Amount
	As at April 1, 2020	Additions	Disposals / Adjustments	As at March 31, 2021	As at April 1, 2020	Additions	Disposals / Adjustments	
Leasehold land	107.62	-	-	107.62	31.61	1.30	-	32.91
Buildings	68.92	18.27	(2.57)	84.62	14.64	17.88	(0.27)	32.25
Total	176.54	18.27	(2.57)	192.24	46.25	19.18	(0.27)	65.16

Notes to consolidated financial statements for the year ended March 31, 2021

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

	Goodwill	Other intangible assets			Intangible under development
		Computer software	Software copyrights	Total	
Gross carrying amount					
Cost as at 01.04.2019	123.18	324.57	2.59	327.16	92.75
Additions (Refer Note no. 45)	5.38	63.90	-	63.90	92.25
Disposals/written off	-	(16.32)	-	(16.32)	(42.21)
Transfers	-	-	-	-	(62.68)
Currency Fluctuation	-	0.51	-	0.51	-
Closing gross carrying amount	128.56	372.66	2.59	375.25	80.11
Accumulated amortisation					
Accumulated amortisation as at 01.04.2019	-	234.92	2.59	237.51	-
Amortisation charge during the year	-	39.92	-	39.92	-
Disposals	-	(2.52)	-	(2.52)	-
Currency Fluctuation	-	0.17	-	0.17	-
Closing Accumulated amortisation	-	272.49	2.59	275.08	-
Net carrying amount as at 31.03.2020	128.56	100.17	-	100.17	80.11
Gross carrying amount					
Cost as at 01.04.2020	128.56	372.66	2.59	375.25	80.11
Additions (Refer Note no. 45)	267.37	24.79	-	24.79	48.11
Disposals/written off	-	-	-	-	(1.72)
Transfers	-	-	-	-	(22.21)
Currency Fluctuation	-	(0.21)	-	(0.21)	-
Closing gross carrying amount	395.93	397.24	2.59	399.83	104.29
Accumulated amortisation					
Accumulated amortisation as at 01.04.2020	-	272.49	2.59	275.08	-
Amortisation charge during the year	-	44.59	-	44.59	-
Disposals	-	-	-	-	-
Currency Fluctuation	-	(0.01)	-	(0.01)	-
Provision for Impairment of Intangible assets under development	-	-	-	-	(68.23)
Closing Accumulated amortisation	-	317.07	2.59	319.66	(68.23)
Net carrying amount as at 31.03.2021	395.93	80.17	-	80.17	36.06

Note 3.2 : Capital and other Contractual Commitment Refer Note 33

Significant estimate: Useful life of intangible assets under development

As at 31 March 2021, the net carrying amount of this software was ₹ 80.17 crores (31 March 2020: ₹ 100.17 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.

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, ₹65.25 crores relates to IT security services, ₹137.59 crores relates to data terminal services and ₹125.74 crores relates to skill development and training programme services business 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 assessment as at March 31, 2021 and March 31, 2020. 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, 2021 and March 31, 2020.

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.

Notes to consolidated financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(A) Investment in equity instruments				
(i) Quoted equity instruments at FVOCI				
In other companies				
Multi Commodity Exchange of India Limited	5,000	0.76	5,000	0.56
Total quoted equity instruments		0.76		0.56
(ii) Unquoted equity instruments at FVOCI				
In other companies				
National Commodity & Derivative Exchange Limited	76,01,377	126.19	76,01,377	121.87
Goods And Service Tax Network	10,00,000	1.00	10,00,000	1.00
Total in other companies		127.19		122.87
Total equity instruments		127.95		123.43
(B) Investment in exchange traded funds (ETF)				
Quoted exchange traded funds at FVPL				
Kotak Mahindra MF - Kotak Banking ETF	-	-	88,400	1.71
CPSE ETF	-	-	1,68,03,095	26.99
SBI-ETF Nifty 50	-	-	45,71,000	40.87
ICICI Prudential Nifty iWIN ETF	-	-	45,15,000	41.04
Nippon India ETF Nifty Bees	-	-	96,06,580	88.32
Nippon India ETF Bank Bees	-	-	15,62,500	30.40
Bharat Bond ETF - April 2023	1,00,000	11.14	1,00,000	10.24
Total exchange traded funds		11.14		239.57
(C) Investment in bonds				
Quoted bonds at amortised cost				
(i) Tax free bonds				
6.86% India Infrastructure Finance Company Limited (Refer note 4.1)	2,50,000	24.87	2,50,000	24.79
6.89% National Housing Bank (Refer note 4.1)	350	35.47	200	20.45
6.89% National Housing Bank	-	-	150	15.22
7% Housing & Urban Development Corporation Limited (Refer note 4.1)	100	10.34	-	-
7% Housing & Urban Development Corporation Limited	-	-	100	10.34
7.07% Housing & Urban Development Corporation Limited (Refer note 4.1)	100	10.35	-	-
7.07% Housing & Urban Development Corporation Limited	-	-	100	10.35
7.15% NTPC Limited (Refer note 4.1)	200	21.03	-	-
7.15% NTPC Limited	-	-	200	21.07
7.18 % Indian Railway Finance Corpn Ltd - Tranche 1 - Series 1 (Refer note 4.1)	1,50,000	15.50	-	-
7.18 % Indian Railway Finance Corpn Ltd - Tranche 1 - Series 1	1,50,000	15.74	3,00,000	31.37
7.19% India Infrastructure Finance Company Limited	95,000	9.69	1,95,000	20.25
7.19% India Infrastructure Finance Company Limited (Refer note 4.1)	1,00,000	10.31	-	-

Notes to consolidated financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.19% Indian Railway Finance Corporation Limited	50	5.53	250	27.02
7.19% Indian Railway Finance Corporation Limited (Refer note 4.1)	450	48.17	250	26.73
7.19% Housing & Urban Development Corporation Limited (Refer note 4.1)	1,00,000	10.07	-	-
7.19% Housing & Urban Development Corporation Limited	-	-	1,00,000	10.07
7.21% Rural Electrification Corporation Limited (Refer note 4.1)	100	10.33	-	-
7.21% Rural Electrification Corporation Limited	-	-	100	10.37
7.27% Power Finance Corporation Limited (Refer note 4.1)	1,00,000	11.00	-	-
7.27% Power Finance Corporation Limited	-	-	1,00,000	11.05
7.34% Indian Railway Finance Corporation Limited (Refer note 4.1)	1,00,000	10.45	-	-
7.34% Indian Railway Finance Corporation Limited	-	-	1,00,000	10.47
7.35% Indian Railway Finance Corporation Limited (Refer note 4.1)	1,50,000	17.16	1,50,000	17.29
7.35% National Highways Authority of India	1,00,000	10.75	2,00,000	22.66
7.35% National Highways Authority of India (Refer note 4.1)	1,00,000	29.54	1,50,000	17.85
7.36% India Infrastructure Finance Company Limited (Refer note 4.1)	1,00,000	10.27	-	-
7.36% India Infrastructure Finance Company Limited	-	-	1,00,000	10.29
7.39% Housing & Urban Development Corporation Limited	-	-	2,00,000	21.78
7.39% Housing & Urban Development Corporation Limited (Refer note 4.1)	2,00,000	21.69	-	-
7.40% India Infrastructure Finance Company Limited (Refer note 4.1)	50,000	5.42	-	-
7.40% India Infrastructure Finance Company Limited	-	-	50,000	5.44
7.51% Housing & Urban Development Corporation Limited (Refer note 4.1)	2,50,000	25.76	-	-
7.51% Housing & Urban Development Corporation Limited	-	-	2,50,000	25.83
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1	-	-	61,238	6.67
8.00 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1	-	-	65,252	6.86
8.09% - Power Finance Corporation Limited - Series 80 A	-	-	500	5.28
8.20% Housing & Urban Development Corporation Limited (Refer note 4.1)	2,00,000	21.87	-	-
8.20% Housing & Urban Development Corporation Limited	-	-	2,00,000	22.12
8.20% National Highways Authority of India - Tranche 1 - Series 1	-	-	37,086	3.86
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1	-	-	35,436	3.77
8.35% Indian Railway Finance Corporation Limited (Refer note 4.1)	150	16.21	-	-
8.35% Indian Railway Finance Corporation Limited	-	-	150	16.21
8.40% Indian Railway Finance Corporation Limited (Refer note 4.1)	1,00,000	11.56	-	-
8.40% Indian Railway Finance Corporation Limited	-	-	1,00,000	11.63
8.41% NTPC Limited (Refer note 4.1)	1,29,162	13.88	-	-
8.41% NTPC Limited	-	-	1,29,162	14.11
8.46% India Infrastructure Finance Company Limited (Refer note 4.1)	200	22.43	-	-
8.46% India Infrastructure Finance Company Limited	-	-	200	22.58
8.46% National Housing Bank - Series V (Refer note 4.1)	300	33.39	-	-
8.46% National Housing Bank - Series V	-	-	300	33.59
8.46% Power Finance Corporation Limited (Refer note 4.1)	50	5.92	-	-
8.46% Power Finance Corporation Limited	-	-	50	6.00

Notes to consolidated financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.46% Rural Electrification Corporation Limited (Refer note 4.1)	350	41.48	-	-
8.46% Rural Electrification Corporation Limited	-	-	350	42.00
8.48% India Infrastructure Finance Company Limited (Refer note 4.1)	150	16.74	-	-
8.48% India Infrastructure Finance Company Limited	-	-	150	16.85
8.54% Power Finance Corporation Limited (Refer note 4.1)	50,000	5.76	-	-
8.54% Power Finance Corporation Limited	-	-	50,000	5.82
8.63% National Housing Bank (Refer note 4.1)	80,000	46.45	-	-
8.63% National Housing Bank	-	-	80,000	47.03
8.63% NTPC Limited	-	-	50	5.80
8.63% NTPC Limited (Refer note 4.1)	200	22.89	150	17.36
8.66% India Infrastructure Finance Company Limited (Refer note 4.1)	1,00,000	11.63	1,00,000	11.70
8.66% NTPC Limited (Refer note 4.1)	50,000	6.06	-	-
8.66% NTPC Limited	-	-	50,000	6.11
8.67% National Hydroelectric Power Corporation Limited (Refer note 4.1)	3,00,000	38.14	-	-
8.67% National Hydroelectric Power Corporation Limited	-	-	3,00,000	38.44
8.67% Power Finance Corporation Limited	-	-	50,000	6.15
8.67% Power Finance Corporation Limited (Refer note 4.1)	2,50,000	30.49	2,00,000	24.58
8.68% National Housing Bank (Refer note 4.1)	10,000	5.75	-	-
8.68% National Housing Bank	-	-	10,000	5.83
Total tax free bonds		720.09		751.03
(ii) Taxable bonds				
8.39% Power Finance Corporation Limited (Refer note 4.1)	250	24.96	-	-
8.39% Power Finance Corporation Limited	-	-	250	24.94
8.82% Rural Electrification Corporation Limited - Sr 114 (Refer note 4.1)	150	16.30	-	-
8.82% Rural Electrification Corporation Limited - Sr 114	-	-	150	16.33
8.70% Power Grid Corporation of India Limited (Refer note 4.1)	50	5.38	-	-
8.70% Power Grid Corporation of India Limited	-	-	50	5.42
8.40% Power Grid Corporation of India Limited (Refer note 4.1)	50	5.33	-	-
8.40% Power Grid Corporation of India Limited	-	-	50	5.33
8.15% National Bank for Agriculture & Rural Development (Refer note 4.1)	450	47.05	450	47.36
8.24% National Bank for Agriculture & Rural Development (Refer note 4.1)	400	42.13	400	42.38
7.33% Indian Railway Finance Corporation Ltd (Refer note 4.1)	650	71.44	-	-
7.27% Indian Railway Finance Corporation Limited (Refer note 4.1)	500	54.27	-	-
7.33% Indian Railway Finance Corporation Limited (Refer note 4.1)	500	54.49	-	-
7.27% Indian Railway Finance Corporation Limited (Refer note 4.1)	500	56.24	-	-
8.22% National Bank For Agriculture And Rural Development (Refer note 4.1)	950	107.53	-	-
Total Taxable bonds		485.12		141.75
Total bonds		1,205.21		892.78

Notes to consolidated financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(D) Investment in debentures				
Quoted at amortised cost				
8.545% HDB Financial Services Limited - (Refer note 4.1)	-	-	250	26.96
8.545% HDB Financial Services Limited	-	-	250	26.92
8.00% HDB Financial Services Limited	-	-	500	52.76
0% Sundaram Finance Limited - (Refer note 4.1)	-	-	500	42.67
7.50% Sundaram Finance Limited - (Refer note 4.1)	-	-	250	25.75
7.49% HDB Financial Services Limited - (Refer note 4.1)	-	-	500	51.51
Total debentures		-		226.56
(E) Investment in government securities				
Quoted investment in government securities at FVOCI				
7.61% Government of India (Refer note 4.1)	-	166.60	-	-
7.61% Government of India	-	-	-	163.77
8.97% Government of India (Refer note 4.1)	-	151.49	-	-
8.97% Government of India	-	-	-	149.10
8.60% Government of India (Refer note 4.1)	-	80.71	-	-
8.60% Government of India	-	-	-	81.02
6.97% Government of India (Refer note 4.1)	-	62.91	-	-
6.97% Government of India	-	-	-	62.23
6.79% Government of India (Refer note 4.1)	-	25.99	-	-
6.79% Government of India	-	-	-	25.76
8.67% Maharashtra SDL (Refer note 4.1)	-	5.54	-	-
8.67% Maharashtra SDL	-	-	-	5.55
5.22% Government of India (Refer note 4.1)	-	25.05	-	-
6.18% Government of India (Refer note 4.1)	-	26.36	-	-
Total government securities		544.65		487.43
(F) Mutual Funds				
(i) Quoted Mutual funds at FVPL				
Balanced Fund				
Aditya Birla Sunlife Balanced 95 Fund - Direct - Growth	-	-	3,40,696	20.98
L&T Hybrid Equity - Direct - Growth	-	-	1,01,70,609	23.41
ICICI Prudential Equity & Debt Fund - Direct - Growth	-	-	20,95,785	23.93
TATA Hybrid Equity - Direct - Growth	-	-	12,87,709	23.58
SBI Equity Hybrid Fund - Direct - Growth	-	-	20,18,493	25.52
HDFC Balance Advantage Fund - Direct - Growth	-	-	14,89,455	23.41
HDFC Hybrid Equity Fund - Direct - Growth	-	-	51,50,624	22.91
Total quoted mutual funds		-		163.75

Notes to consolidated financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(ii) Unquoted Mutual funds at FVPL				
Aditya Birla Sun Life Money Manager Fund - Direct - Growth	71,37,569	204.97	2,89,077	7.83
Axis Money Market Fund - Direct - Growth	10,15,269	112.38	-	-
HDFC Money Market Fund - Direct - Growth	4,68,114	209.43	96,908	40.89
ICICI Prudential Money Market Fund - Direct- Growth	70,97,782	209.58	13,57,059	37.90
IDFC Low Duration Fund - Direct - Growth	-	-	39,28,288	11.35
IDFC Money Manager - Direct - Growth	6,10,66,812	205.48	1,05,35,120	33.67
Invesco India Liquid Fund - Direct - Growth	2,30,433	65.12	1,16,329	31.74
Invesco India Money Market Fund - Direct - Growth	1,37,011	33.50	1,45,410	33.66
L&T Money Market Fund - Direct - Growth	1,69,50,895	36.37	-	-
L&T Liquid Fund - Direct - Growth	2,38,461	67.22	-	-
Mirae Asset Cash Management Fund - Direct - Growth	1,72,230	37.40	1,06,474	22.30
SBI Magnum Ultra Short Duration Fund - Direct - Growth	-	-	79,514	35.62
SBI Savings Fund - Direct - Growth	6,05,35,459	207.01	97,51,110	31.56
TATA Liquid Fund - Direct - Growth	1,18,703	38.55	-	-
TATA Money Market Fund - Direct - Growth	17,713	6.50	-	-
UTI Money Market - Direct Plan - Growth	8,59,429	205.85	1,45,798	33.06
UTI Treasury Advantage Fund - Direct - Growth	-	-	-	-
Nippon India Money Market Fund - Direct - Growth	6,51,615	209.87	1,25,241	38.23
Kotak Money Market Scheme - Direct Plan - Growth	5,88,418	204.99	49,839	16.51
DSP Saving Fund - Direct - Growth	4,72,42,507	198.89	-	-
DSP Ultra Short Term Fund - Direct - Growth	-	-	38,659	10.53
Total unquoted mutual funds		2,253.11		384.86
Total non-current investments (Refer note 4.2)		4,142.06		2,518.39
Aggregate Book value - Quoted Investments		1,761.76		2,010.66
Aggregate Book Value - Unquoted Investments		2,380.30		507.73
Aggregate Market Value of Quoted Investments		1,853.09		2,051.91
Aggregate amount of impairment in the value of investments		-		-

4.1 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing ₹1,662.61 crores (fair value : ₹1,708.15 crores) as of March 31, 2021 [March 31, 2020 : costing ₹ 390.09 (fair value : ₹ 397.38)] have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 34(b)].

4.2 During the year, NSE Academy Limited (NAL) has entered into a Share Purchase Agreement for acquisition of Talentsprint Pvt Limited for a total consideration of ₹260 crores. As per the terms of SPA, NAL has acquired 70% of equity shares of Talentsprint for a total value of ₹126 crores. SEBI while granting the approval for the said acquisition of Talentsprint Private Limited has stipulated that the total amount of ₹260 crores shall be set aside as the acquisition shall be completed in four tranches. The balance amount of ₹134 crores (being ₹260 crores less ₹126 crores) is set aside which is forming part of the total non current investments.

Notes to consolidated financial statements for the year ended March 31, 2021

Note 5 : OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Non-current bank balances		
Fixed deposits with maturity for more than 12 months (Refer note 5.3)	656.96	106.71
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	97.24	27.19
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement Guarantee fund	771.03	620.21
Earmarked fixed deposits with maturity for more than 12 months towards Core Settlement Guarantee fund -Commodity	24.69	16.71
Total (a)	1,549.92	770.82
Others		
Security deposit for utilities and premises	4.89	4.48
Interest accrued on bank deposits & tax free bonds (Refer note 5.4)	14.37	10.14
Interest accrued on bank deposits towards Core Settlement Guarantee fund	7.53	13.57
Other receivables	0.05	-
Deposit with financial institution at amortised cost (Refer note 5.2)	-	33.39
Total (b)	26.84	61.58

- 5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.
- 5.2 This represents amounts transferred in a separate bank account towards transaction charges and colocation services which have been subsequently invested in deposits with financial institutions and have been earmarked/ restricted based on SEBI directives (Refer Note 34 (b))
- 5.3 This includes amount of ₹ 500.54 crores (March 31, 2020 ₹ NIL) transferred in a separate bank account towards transaction charges and colocation services which have been subsequently invested in fixed deposits with banks and have been earmarked/ restricted based on SEBI directives (Refer Note 34 (b))
- 5.4 This includes interest accrued of ₹ 13.97 crores (March 31, 2020 ₹ NIL) on bank deposits and tax free bonds pertaining to Colocation and have been earmarked/ restricted based on SEBI directives (Refer Note 34 (b)).

Note 6 : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Security deposit for utilities and premises	0.67	0.10
Interest accrued on bank deposits (Refer note 6.3)	93.22	81.73
Interest accrued on bank deposits towards Core Settlement Guarantee Fund	111.84	158.75
Contract Assets	33.06	12.96
Receivable on sale of Investment (Refer note 6.2)	-	224.29
Deposit with financial institution at amortised cost (Refer note 6.1)	308.95	277.62
Receivables from related party (Refer Note 32)	1.28	1.64
Other receivables	14.36	15.18
	563.38	772.27

- 6.1 This represents amounts transferred in a separate bank account towards transaction charges and colocation services which have been subsequently invested in deposits with financial institutions and have been earmarked/ restricted based on SEBI directives (Refer Note 34 (b))
- 6.2 This includes an amount of ₹ NIL (March 31, 2020 ₹ 179.19 crores) pertaining to Colocation and had been earmarked/ restricted based on SEBI directives (Refer Note 34 (b))
- 6.3 This includes interest accrued of ₹ 10.00 crores (March 31, 2020 ₹ NIL) on bank deposits pertaining to Colocation and have been earmarked/ restricted based on SEBI directives (Refer Note 34 (b))

Notes to consolidated financial statements for the year ended March 31, 2021

Note 7 : OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Capital advances	7.44	8.39
Prepaid expenses	13.44	16.62
Securities Transaction Tax paid (Refer note 7.1)	10.60	10.60
Other receivables	1.43	0.62
Deposit with SEBI - Colocation (Refer Note 34(b))	687.47	687.47
	720.38	723.70

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 Holding 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.

Note 8 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Other Advance recoverable	16.90	19.36
Balances with statutory authorities	88.72	88.41
Prepaid expenses	72.94	70.71
Other receivables	6.54	6.63
	185.10	185.11

Note 9 : CURRENT INVESTMENTS

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
(A) Investment in Taxfree Bonds				
Quoted bonds at amortised cost				
8.00 % Indian Railway Finance Corpn Ltd - Tranche 1 - Series 1	32,626.00	3.43	-	-
8.09% Power Finance Corporation Limited - Series 80 A (Refer note 9.1)	500.00	5.19	-	-
8.20% National Highways Authority of India - Tranche 1 - Series 1 (Refer note 9.1)	37,086.00	3.86	-	-
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1 (Refer note 9.1)	35,436.00	3.70	-	-
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1 (Refer note 9.1)	61,238.00	6.58	-	-
8.00 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1 (Refer note 9.1)	32,626.00	3.38	-	-
Total Quoted investments in Taxfree Bonds		26.14		-
(B) Investment in Debentures				
Quoted debentures at amortised cost				
0% Kotak Mahindra Investments Limited (Refer note 9.1)	-	-	500.00	53.21
7.70% HDB Financial Services Limited	-	-	250.00	26.55

Notes to consolidated financial statements for the year ended March 31, 2021

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
9.1106% LIC Housing Finance Limited (Refer note 9.1)	-	-	250.00	26.81
8.97% Tata Sons Limited	-	-	50.00	5.30
7.35% Tata Sons Limited	-	-	250.00	26.03
7.52% HDB Financial Services Limited	-	-	250.00	26.33
8.90% Infrastructure Leasing & Financial Services Limited	2,50,000.00	26.18	2,50,000.00	26.18
8.70% Infrastructure Leasing & Financial Services Limited	2,50,000.00	27.17	2,50,000.00	27.17
8.58% Infrastructure Leasing & Financial Services Limited	2,50,000.00	26.78	2,50,000.00	26.78
Less: Impairment losses on financial assets (Refer note 40D)		(80.13)		(80.13)
Total Quoted investments in Debentures		-		164.24
(C) Investment in Mutual Funds				
(i) Quoted Mutual Funds at FVPL				
Nippon India ETF Nifty CPSE Bond Plus SDL (Refer note 9.1)	90,96,843.00	93.80	-	-
Edelweiss Bharat Bond Fund of Fund - Direct - Growth	1,99,99,000.05	20.47	-	-
Edelweiss Bharat Bond Fund of Fund - Direct - Growth (Refer note 9.1)	4,86,45,164.55	49.78	-	-
Total Quoted Mutual Fund		164.05		-
(ii) Fixed Maturity Plans				
ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth	-	-	1,00,00,000.00	12.40
Kotak FMP Series 202 - 1144 Days - Direct - Growth	-	-	10,00,000.00	1.24
Nippon India Fixed Horizon Fund - XXXIV - Series 9 - Direct - Growth	-	-	97,50,000.00	11.80
Nippon India Fixed Horizon Fund - XXXVIII - Series 12 - Direct - Growth	20,00,000.00	2.51	20,00,000.00	2.34
Nippon India Fixed Horizon Fund - Xxxvii - Series 04 - Direct - Growth	25,00,000.00	3.25	25,00,000.00	3.01
Kotak Fixed Maturity Plan Series 199 - 1147 Days (Refer note 9.1)	-	-	2,00,00,000.00	24.84
Birla Sun Life Fixed Term Plan - Series OI (1120 Days) (Refer note 9.1)	-	-	2,00,00,000.00	24.88
Kotak Fixed Maturity Plan Series 202 - 1144 Days - Direct - Growth (Refer note 9.1)	-	-	2,00,00,000.00	24.75
PGIM India Fixed Duration Fund Series AE (Refer note 9.1)	-	-	1,50,000.00	18.68
Kotak Fixed Maturity Plan Series 200 - 1158 Days (Refer note 9.1)	-	-	1,50,00,000.00	18.63
DSP Blackrock Fixed Maturity Plan Series 204 - 37M - Direct - Growth (Refer note 9.1)	-	-	1,50,00,000.00	18.59
ICICI Prudential Fixed Maturity Plan - Series 80 - 1187 Days Plan G - Direct-Growth (Refer note 9.1)	-	-	1,50,00,000.00	18.60
IDFC Fixed Maturity Plan - Series 131 - 1139 Days - Direct - Growth (Refer note 9.1)	-	-	1,50,00,000.00	18.57
Birla Sun Life Fixed Term Plan - Series Oh - 1120 Days (Refer note 9.1)	-	-	1,00,00,000.00	12.45
IDFC Fixed Maturity Plan - Series 129 - 1147 Days (Refer note 9.1)	-	-	1,00,00,000.00	12.39
Birla Sun Life Fixed Term Plan - Series Oe - 1153 Days (Refer note 9.1)	-	-	1,00,00,000.00	12.43

Notes to consolidated financial statements for the year ended March 31, 2021

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
UTI-FTIF-XXVI-VI (1146 Days) (Refer note 9.1)	-	-	1,00,00,000.00	12.42
Birla Sun Life Fixed Term Plan - Series Og - 1146 Days (Refer note 9.1)	-	-	1,00,00,000.00	12.40
DSP Blackrock Fixed Maturity Plan Series 205 - 37M - Direct - Growth (Refer note 9.1)	-	-	1,00,00,000.00	12.40
Birla Sun Life Fixed Term Plan - Series OK (1135 Days) - Direct - Growth (Refer note 9.1)	-	-	1,00,00,000.00	12.42
Invesco India Fixed Maturity Plan - Series 29 - Plan B (1150 Days) - Direct - Growth (Refer note 9.1)	-	-	1,00,00,000.00	12.42
UTI Fixed Term Income Fund Series XXVI-VIII (1154 Days) - Direct - Growth (Refer note 9.1)	-	-	1,00,00,000.00	12.38
Nippon India Fixed Horizon Fund XXXIII Series 3 - 1215 Days - Direct - Growth (Refer note 9.1)	-	-	2,50,00,000.00	31.29
Nippon India Fixed Horizon Fund - XXXIII - Series 4 - 1208 Days (Refer note 9.1)	-	-	2,50,00,000.00	31.29
Nippon India Fixed Horizon Fund - XXXIII - Series 6 - 1201 Days - Direct - Growth (Refer note 9.1)	-	-	2,50,00,000.00	31.13
Nippon India Fixed Horizon Fund XXXII Series 9 - 1285 Days (Refer note 9.1)	-	-	2,00,00,000.00	25.04
Nippon India Fixed Horizon Fund - XXXIII - Series 7 - 1197 Days - Direct - Growth (Refer note 9.1)	-	-	2,00,00,000.00	24.87
Nippon India Fixed Horizon Fund XXXIII Series 1 - 1222 Days (Refer note 9.1)	-	-	2,00,00,000.00	25.07
ICICI Prudential Fixed Maturity Plan - Series 80 - 1253 Days Plan J (Refer note 9.1)	-	-	1,50,00,000.00	18.71
ICICI Prudential Fixed Maturity Plan - Series 80 - 1233 Days Plan O (Refer note 9.1)	-	-	1,00,00,000.00	12.49
ICICI Prudential Fixed Maturity Plan - Series 80 - 1227 Days Plan Q (Refer note 9.1)	-	-	1,00,00,000.00	12.50
ICICI Prudential Fixed Maturity Plan - Series 80 - 1231 Days Plan P (Refer note 9.1)	-	-	1,00,00,000.00	12.51
ICICI Prudential Fixed Maturity Plan - Series 80 - 1225 Days Plan T - Direct - Growth (Refer note 9.1)	-	-	1,00,00,000.00	12.46
Nippon India Fixed Horizon Fund Xxxiv Series 7 - 1105 Days - Direct - Growth (Refer note 9.1)	-	-	1,00,00,000.00	12.16
HDFC Fixed Maturity Plan 1430D - Series 38 - Direct - Growth (Refer note 9.1)	1,00,00,000.00	12.87	1,00,00,000.00	12.12
Total Fixed Maturity Plans		18.63		571.68
Total Quoted Mutual funds		182.68		571.68
(ii) Unquoted Mutual Funds at FVPL				
Aditya Birla Sun Life Banking & PSU Debt Fund - Direct - Growth	43,65,533.02	126.48	-	-
Aditya Birla Sun Life Corporate Bond Fund - Direct - Growth	29,71,972.90	25.78	-	-

Notes to consolidated financial statements for the year ended March 31, 2021

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Aditya Birla Sun Life Floating Rate Fund - Direct - Growth (Refer note 9.1)	1,15,28,412.57	312.05	40,86,900.23	103.11
Aditya Birla Sun Life Floating Rate Fund - Direct- Growth	31,10,840.78	84.20	-	-
Aditya Birla Sun Life Floating Rate Fund - LTP - Direct - Growth	-	-	6,37,374.89	16.08
Aditya Birla Sun Life Liquid Fund - Direct - Growth	11,97,510.95	39.70	2,85,866.54	9.14
Aditya Birla Sun Life Money Manager Fund - Direct - Growth	82,803.66	2.38	3,76,237.19	10.19
Aditya Birla Sun Life Money Manager Fund - Direct - Growth (Refer note 9.1)	-	-	10,25,722.85	27.79
Aditya Birla Sun Life Overnight Fund - Direct - Growth	-	-	41,694.74	4.50
Aditya Birla Sun Life Savings Fund - Direct - Growth	4,22,372.59	18.03	13,50,20,699.88	30.39
Aditya Birla Sun Life Savings Fund - Direct - Growth (Refer note 9.1)	-	-	17,74,677.33	71.13
Aditya Birla Sun Life Short Term Fund - Direct - Growth	6,48,31,868.98	249.31	-	-
Aditya Birla Sunlife Money Manager Fund - Direct - Growth	-	-	97,873.91	2.65
Axis Banking & PSU Debt Fund - Direct - Growth	3,57,182.87	74.93	1,17,239.82	22.76
Axis Banking & Psu Debt Fund - Direct - Growth (Refer note 9.1)	-	-	3,88,162.69	75.34
Axis Corporate Debt Fund - Direct - Growth	3,70,98,114.67	50.33	-	-
Axis Liquid Fund - Direct Growth (CFDGG) - ISIN : INF846K01CX4	13,006.40	2.97	21,760.85	4.80
Axis Liquid Fund -Direct - Growth	4,49,626.02	102.73	2,72,297.37	60.02
Axis Overnight Fund - Direct - Growth	4,81,305.29	52.36	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan	57,715.46	14.33	1,38,123.69	32.12
Axis Treasury Advantage Fund - Growth - Direct Plan (Refer note 9.1)	56,333.67	13.99	-	-
Axis Ultra Short term Fund - Direct - Growth	38,94,129.16	4.66	1,48,81,453.73	16.88
Axis Ultra Short Term Fund - Direct - Growth (Refer note 9.1)	-	-	6,77,79,853.41	76.88
Canara Robeco Savings Plus Fund - Direct - Growth	17,24,810.05	5.80	77,31,298.64	24.59
DSP Banking & PSU Debt Fund - Direct - Growth	1,72,88,148.45	33.16	-	-
DSP Blackrock Low Duration Fund - Direct - Growth	5,62,80,597.14	89.06	44,87,276.84	6.69
DSP Blackrock Money Manager Fund - Direct - Growth	-	-	18,207.30	4.96
DSP Corporate Bond Fund - Direct- Growth	1,32,24,849.38	16.93	-	-
DSP Saving Fund - Direct - Growth	1,72,199.60	0.72	5,04,972.72	2.01
DSP Ultra Short Term Fund - Direct - Growth	10,230.86	2.92	9,680.39	2.63
Edelweiss Liquid Fund - Direct - Growth	1,05,521.74	28.00	1,60,151.78	40.96
Edelweiss Nifty PSU Bond Plus SDL Index Fund - Direct - Growth	99,99,500.03	10.11	-	-
HDFC Corporate Bond Fund - Direct - Growth	7,27,53,973.00	183.22	-	-
HDFC Corporate Bond Fund - Direct - Growth(Refer note 9.1)	-	-	3,05,55,143.30	70.53
HDFC Floating Rate Debt Fund - Direct - Growth	2,07,46,167.83	79.44	9,35,211.27	3.31
HDFC Floating Rate Debt Fund - Direct - Growth (Refer note 9.1)	-	-	1,98,10,956.56	70.10
HDFC Liquid Fund - Direct - Growth	82,80,451.15	67.10	1,55,014.44	35.56
HDFC Liquid Fund - Direct - Growth (Refer note 9.2)	65,419.60	25.00	65,419.60	25.00
HDFC Low Duration Fund - Direct- Growth(Refer note 9.1)	-	-	82,14,813.49	36.32

Notes to consolidated financial statements for the year ended March 31, 2021

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
HDFC Low Duration fund-Dir-Growth	11,62,196.09	5.53	11,62,196.09	5.14
HDFC Money Market Fund - Direct - Growth	3,00,637.53	134.51	88,304.22	37.26
HDFC Overnight Fund - Direct -Growth	-	-	11,340.12	3.37
HDFC Ultra Short Term Fund - Direct -Growth	-	-	11,86,836.76	1.34
HSBC Cash Fund - Direct - Growth	5,68,634.67	116.50	81,759.76	16.17
ICICI Prudential Banking & PSU Debt Fund- Direct- Growth	1,17,21,703.72	30.03	2,65,71,069.96	62.82
ICICI Prudential Banking & PSU Debt Fund- Direct- Growth (Refer note 9.1)	2,39,54,056.77	61.36	2,39,54,056.77	56.64
ICICI Prudential Corporate Bond Fund - Direct - Growth	2,49,17,779.02	58.55	1,43,722.90	0.31
ICICI Prudential Corporate Bond Fund - Direct - Growth (Refer note 9.1)	8,56,13,011.12	201.26	2,33,35,808.56	50.20
ICICI Prudential Liquid - Direct Plan - Growth	5,51,531.09	16.81	11,81,198.53	34.70
ICICI Prudential Money Market Fund - Direct - Growth	60,957.22	1.80	60,957.22	1.70
ICICI Prudential Money Market Fund - Direct - Growth (Refer note 9.1)	-	-	32,08,038.21	89.59
ICICI Prudential Money Market Fund - Direct- Growth	7,63,250.61	22.54	6,50,979.50	18.18
ICICI Prudential Savings Fund - Direct- Growth	1,31,297.42	5.51	1,31,297.42	5.13
ICICI Prudential Savings Fund - Direct Plan - Growth (Refer note 9.1)	-	-	7,34,965.97	28.69
IDFC Banking & Psu Debt Fund - Direct - Growth (Refer note 9.1)	7,35,09,021.94	143.64	7,22,14,140.94	129.73
IDFC Banking & PSU Debt Fund- Direct- Growth	20,41,549.68	3.99	1,67,45,695.31	30.08
IDFC Cash Fund - Direct - Growth	1,31,446.18	32.68	-	-
IDFC Corporate Bond Fund - Direct - Growth	3,51,08,047.17	53.60	-	-
IDFC Corporate Bond Fund - Direct - Growth (Refer note 9.1)	1,37,11,143.68	20.93	-	-
IDFC Floating Rate Fund- Direct- Growth	2,49,98,750.06	25.09	-	-
IDFC Low Duration Fund - Direct - Growth	-	-	32,89,138.89	9.50
IDFC Ultra Short Term Fund - Direct - Growth	47,48,899.27	5.68	2,03,47,064.64	6.44
Invesco India Corporate Bond Fund - Direct - Growth(Refer note 9.1)	2,75,598.43	72.07	-	-
Invesco India Corporate Bond Fund - Direct - Growth	90,474.89	23.66	-	-
Invesco India Liquid Fund - Direct Plan Growth	-	-	9,357.08	2.55
Invesco India Money Market Fund - Direct - Growth	44,016.48	10.76	1,76,596.72	40.87
Invesco India Treasury Advantage Fund - Direct - Growth	26,308.96	7.81	8,984.12	2.57
Invesco India Treasury Advantage Fund - Direct - Growth (Refer note 9.1)	5,79,037.60	176.71	1,64,744.21	47.15
Kotak Banking & PSU Debt Fund - Direct - Growth	13,80,125.37	7.11	-	-
Kotak Banking & PSU Debt Fund - Direct - Growth (Refer note 9.1)	2,18,28,515.30	112.47	1,12,14,674.42	53.43
Kotak Corporate Bond Fund - Direct - Growth	55,958.80	16.70	-	-
Kotak Corporate Bond Fund - Direct - Growth (Refer note 9.1)	9,51,749.51	284.06	3,39,407.92	93.69
Kotak Liquid Fund - Direct - Growth	-	-	1,707.06	0.69
Kotak Low Duration Fund - Direct - Growth (Refer note 9.1)	25,323.38	7.02	-	-
Kotak Money Market Scheme - Direct Plan - Growth	4,505.48	1.57	4,95,612.18	164.20

Notes to consolidated financial statements for the year ended March 31, 2021

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Kotak Savings Fund - Direct - Growth (Refer note 9.1)	-	-	84,41,292.19	27.73
Kotak Treasury Advantage Fund - Direct- Growth	-	-	7,33,065.28	2.41
L&T Banking & PSU Debt Fund - Direct - Growth	44,93,237.35	9.04	-	-
L&T Banking & Psu Debt Fund - Direct - Growth (Refer note 9.1)	6,69,07,348.81	134.56	4,17,67,058.91	77.54
L&T Low Duration Fund - Direct- Growth	28,64,080.40	6.55	-	-
L&T Money Market Fund - Direct - Growth	29,79,455.53	6.39	-	-
L&T Ultra Short Term Fund - Direct - Growth	59,08,735.52	20.74	1,10,95,720.51	37.09
L&T Ultra Short Term Fund - Direct - Growth (Refer note 9.1)	-	-	1,23,96,950.35	41.44
LIC MF Banking & PSU Debt Fund - Direct - Growth (Refer note 9.1)	1,67,64,563.27	48.47	-	-
LIC MF Liquid Fund - Direct - Growth	1,12,860.04	42.17	91,183.30	32.86
Mirae Asset Cash Management Fund - Direct - Growth	1,51,455.06	32.89	1,88,169.78	39.41
Mirae Asset Corporate Bond Fund- Direct- Growth	59,99,700.02	6.02	-	-
Nippon India Banking & PSU Debt Fund - Direct - Growth	12,25,880.78	2.01	1,45,38,191.09	21.93
Nippon India Banking & Psu Debt Fund - Direct - Growth (Refer note 9.1)	7,09,91,226.70	116.58	7,09,91,226.70	107.10
Nippon India Liquid Fund - Direct - Growth	58,011.20	3.24	58,011.20	2.19
Nippon India Liquid Fund - Direct - Growth (Refer note 9.2)	53,988.41	25.95	53,988.41	25.95
Nippon India Money Market Fund - Direct - Growth	5,74,822.65	185.14	1,37,001.64	41.82
Nippon India Money Market Fund - Direct - Growth (Refer note 9.1)	-	-	1,00,823.88	30.78
SBI Banking & PSU Debt Fund - Direct - Growth	56,227.86	14.36	7,547.36	1.79
SBI Banking & Psu Debt Fund - Direct - Growth (Refer note 9.1)	2,17,532.79	55.56	2,17,532.79	51.45
SBI Corporate Bond Fund - Direct - Growth (Refer note 9.1)	5,64,37,385.82	68.93	4,46,26,122.35	50.36
SBI Liquid Fund - Direct - Growth (Refer note 9.3)	35,402.74	11.41	-	-
SBI Magnum Low Duration Fund - Direct - Growth	-	-	19,616.04	5.16
SBI Magnum Ultra Short Duration Fund - Direct - Growth	20,028.62	9.45	27,200.07	12.18
SBI Magnum Ultra Short Duration Fund - Direct - Growth (Refer note 9.1)	-	-	62,905.43	28.18
SBI Premier Liquid Fund - Direct - Growth	76,128.15	24.53	98,386.86	30.59
SBI Saving Fund - Direct - Growth (Refer note 9.1)	-	-	2,40,36,130.90	77.80
SBI Savings Fund - Direct- Growth	10,71,915.53	3.67	31,29,546.84	10.13
SBI Savings Fund - Direct - Growth	12,00,462.58	4.11	19,49,422.96	6.31
SBI Short Term Debt Fund - Direct- Growth	11,56,88,089.61	301.12	-	-
Sundaram Banking & PSU Debt Fund - Direct - Growth	-	-	81,26,090.93	26.04
Tata Liquid Fund - Direct - Growth	-	-	8,164.97	2.56
Tata Money Market Fund - Direct - Growth	27,309.25	10.02	-	-
Tata Short Term Bond Fund - Direct - Growth	34,87,769.43	14.11	2,42,49,421.66	90.69
Tata Short Term Bond Fund - Direct - Growth (Refer note 9.1)	74,85,126.54	30.28	-	-
Tata Treasury Advantage Fund - Direct - Growth (Refer note 9.1)	2,59,008.40	80.78	-	-
Templeton India TMA - Direct - Growth	-	-	76,650.67	22.87

Notes to consolidated financial statements for the year ended March 31, 2021

Note 9 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
UTI Floater Fund - Direct - Growth	-	-	18,028.58	2.03
UTI Liquid Fund - Cash Plan -Direct- Growth	35,777.30	12.06	1,08,981.15	35.44
UTI Money Market - Direct Plan - Growth	-	-	95,211.52	21.59
UTI Money Market - Direct Plan - Growth - (Refer note 9.1)	10,56,618.68	253.08	-	-
UTI Treasury Advantage Fund - Direct - Growth (Refer note 9.1)	3,88,407.80	102.74	-	-
Total unquoted mutual funds		5,011.60		2,842.02
Total mutual funds		5,194.28		3,413.71
Total current Investments		5,220.42		3,577.94
Aggregate Book value - Quoted Investments		208.82		735.91
Aggregate Book Value - Unquoted Investments		5,011.60		2,842.03
Aggregate Market Value of Quoted Investments		209.39		735.95
Aggregate amount of impairment in the value of investments		80.13		80.13

- 9.1 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing ₹2,377.11 crores (fair value ₹2,475.70 crores) as of March 31, 2021 [March 31, 2020 : ₹2,188.08 crores (fair value ₹2,193.60 crores)] have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 34(b)].
- 9.2 This represents investment pertaining to Commodity Settlement Fund [Refer also Note 37].
- 9.3 This represents amount 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.

Note 10 : TRADE RECEIVABLES

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Trade Receivables	1,023.55	667.09
Less : Loss Allowance	(24.97)	(14.98)
	998.58	652.11
Break up of security details		
Trade Receivables considered good - Secured (Refer note 10.1 & 10.2)	798.34	526.18
Trade Receivables considered good - Unsecured	200.24	125.93
Trade Receivables which have significant increase in credit risk	12.25	-
Trade Receivables - credit impaired	12.72	14.98
Total	1,023.55	667.09
Loss allowance	(24.97)	(14.98)
Total Trade Receivables	998.58	652.11

- 10.1 Trade receivables are secured against deposits and margin money received from members (Refer note: 24, 16 and 44).
- 10.2 This includes an amount of ₹ 311.29 crores (March 31, 2020 ₹ 188.54 crores) towards transaction charges and colocation services realised after March 31, 2021 and transferred in separate bank account after March 31, 2021 and then invested. [Refer Note 34(b)]

Notes to consolidated financial statements for the year ended March 31, 2021

Note 11 : CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Balances with banks :-		
Deposits with original maturity of less than three months	40.64	30.09
In current accounts	417.70	168.99
Balance held for the purpose of meeting short term cash commitments (Refer note 11.1)	8,710.70	9,038.81
Cash on hand	0.03	0.01
	9,169.07	9,237.90

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 + 2 days & margin money from members which is also repayable on the settlement of transactions. Balance in current accounts also includes amount received from members towards settlement obligations. (Refer note 16).

Note 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
<i>Restricted Balances with banks :</i>		
In current accounts (Refer note 38(b) and 12.5)	19.15	0.11
In escrow account	-	3.72
in fixed deposits(Refer note 12.1)	10.70	12.69
Earmarked balances towards Core Settlement Guarantee Fund	192.02	147.77
<i>Fixed deposits</i>		
- with original maturity for more than 3 months but less than 12 months	111.02	95.77
- with maturity of less than 12 months at the balance sheet date (Refer note 12.4)	1,153.97	467.93
<i>Earmarked Fixed Deposits:</i>		
- with original maturity for more than 3 months but less than 12 months (Refer note 12.2)	32.74	0.54
- with original maturity for more than 3 months but less than 12 months towards SGF for Commodity Segment	174.36	183.12
- with maturity of less than 12 months at the balance sheet date towards Core Settlement Guarantee Fund	2,402.44	2,174.52
- with maturity of less than 12 months at the balance sheet date (Refer note 12.2)	192.08	171.23
Unpaid dividends (Refer note 12.3 & 16)	-	43.09
	4,288.48	3,300.49

12.1 The amount includes ₹ 10.70 crores (Previous Year : ₹ 12.69 crores) towards amount placed as a fixed deposit by NSE Foundation.

12.2 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

12.3 This represents amount of dividend withheld pursuant to SEBI letter dated May 13, 2019.

12.4 This include an amount of ₹ 700.85 crores (March 31, 2020 ₹ NIL) pertaining to Colocation [Refer Note 34(b)]

12.5 This include an amount of ₹17.48 crores (March 31, 2020 ₹12.05 crores) pertaining to Colocation [Refer Note 34(b)] and ₹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.

Notes to consolidated financial statements for the year ended March 31, 2021

Note 13 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Authorised		
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
Issued, subscribed and paid-up		
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)		
Total	49.50	49.50

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 31.03.2021		As at 31.03.2020	
	(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	31.03.2021	31.03.2020
Life Insurance Corporation of India	5,30,55,000	6,19,13,500

Details of shareholders holding more than 5% share in the Company (% shareholding)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Life Insurance Corporation of India	10.72%	12.51%

Notes to consolidated financial statements for the year ended March 31, 2021

Note 13 b : OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves				Total other Equity	Non Controlling Interests	Total other Equity		
	Securities premium reserve	Retained earnings *	Liquidity Enhancement Scheme Incentive Reserve	Reserve Fund	Other reserves** (Refer Note 13b)	Total Reserves and Surplus	FVOCI equity instruments	FVOCI debt instruments				Foreign Currency Translation Reserve	Total other reserves
Balance as at 01.04.2019	35.50	7,553.09	1.51	-	63.89	7,653.99	91.09	(11.67)	3.98	83.40	7,737.39	1.37	7,738.76
Profit for the year	-	1,885.04	-	-	-	1,885.04	-	-	-	-	1,885.04	(0.26)	1,884.78
Other Comprehensive Income	-	(6.68)	-	-	-	(6.68)	(8.91)	20.14	7.47	18.70	12.02	0.01	12.03
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(0.51)	-	-	-	(0.51)	-	-	-	-	(0.51)	-	(0.51)
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(8.94)	8.94	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/ payable	-	9.19	(9.19)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(131.08)	-	131.08	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners													
Dividend paid (including dividend distribution tax)	-	(1,062.18)	-	-	-	(1,062.18)	-	-	-	-	(1,062.18)	-	(1,062.18)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(0.39)	(0.39)
Balance as at 31.03.2020	35.50	8,237.93	1.26	131.08	63.89	8,469.66	82.18	8.47	11.45	102.10	8,571.76	0.73	8,572.49
Balance as at 01.04.2020	35.50	8,237.93	1.26	131.08	63.89	8,469.66	82.18	8.47	11.45	102.10	8,571.76	0.73	8,572.49
Profit for the year	-	3,573.72	-	-	-	3,573.72	-	-	-	-	3,573.72	(0.30)	3,573.42
Other Comprehensive Income	-	(1.25)	-	-	-	(1.25)	4.43	5.54	(2.28)	7.69	6.44	0.02	6.46
Appropriation to Core Settlement Guarantee Fund (net of tax)	-	(20.99)	-	-	-	(20.99)	-	-	-	-	(20.99)	-	(20.99)
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(10.53)	10.53	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/ payable	-	10.79	(10.79)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(359.44)	-	359.44	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners													
Dividend paid	-	(544.50)	-	-	-	(544.50)	-	-	-	-	(544.50)	-	(544.50)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(0.43)	(0.43)
Balance as at 31.03.2021	35.50	10,885.73	1.00	490.52	63.89	11,476.64	86.61	14.01	9.17	109.79	11,586.43	0.02	11,586.45

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
* 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, 2021

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.

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

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.

FVOCI equity investments

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.

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 May 16, 2019, proposed a dividend of ₹ 8/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 2, 2019 and on November 7, 2019 declared an interim dividend of ₹ 9.80 per equity share of ₹ 1/- each of the Company. The total dividend paid during the year ended March 31, 2020 amounts to ₹ 881.10 crores excluding dividend distribution tax ₹ 181.08 crores.

Note 2 : The Board of Directors, in their meeting held on June 25, 2020, proposed a dividend of ₹ 11/- per equity share which has been approved by the shareholders at the Annual General Meeting held on September 25, 2020. The total dividend paid during the year ended March 31, 2021 amounts to ₹ 544.50 crores.

Note 14 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Trade payables	238.72	165.25
Trade payables to MSME (Refer note 35)	1.78	1.21
Total	240.50	166.46

Note 15 : OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Other liabilities (Refer note 12.5 & 9.3)	12.96	-
Total	12.96	-

Notes to consolidated financial statements for the year ended March 31, 2021

Note 16 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Deposits - premises	8.06	7.10
Creditors for capital expenditure	23.43	18.29
Defaulters fund pending claims	113.80	99.11
Margin money from members(Refer note 16.1)	4,155.27	6,356.02
Settlement obligation payable(Refer note 16.1)	4,141.70	2,346.80
Contribution payable to Core SGF (Refer note 16.3)	-	62.08
Unpaid Dividend (Refer note 16.2)	-	43.09
Other liabilities (Refer note 12.5 & 9.3)	75.49	63.72
Total	8,517.75	8,996.21

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 + 2 days & margin money from members which is also repayable on the settlement of transactions (refer note 11)

16.2 This represents amount of dividend withheld pursuant to SEBI letter dated May 13, 2019.

16.3 This represents amount payable to Indian Clearing Corporation Ltd [Refer note 1(y)]

Note 17a : PROVISION (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Employee benefits obligation		
Provision for gratuity	10.35	19.13
Provision for variable pay and allowance	18.31	14.53
Provision for leave encashment	2.26	1.18
Total	30.92	34.84

Note 17b : CONTRACT LIABILITIES (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Contract Liabilities related to listing services	21.23	16.54
Total	21.23	16.54

Note 18a: PROVISION (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Employee benefits obligation		
Provision for gratuity	3.96	7.21
Provision for variable pay and allowance	64.42	59.30
Provision for leave encashment	20.74	20.60
Total	89.12	87.11

Note 18b : CONTRACT LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Contract Liabilities related to listing services	1.08	0.31
Total	1.08	0.31

Notes to consolidated financial statements for the year ended March 31, 2021

Note 19 : INCOME TAXES

a) Income tax expense

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Income tax expense		
Current Tax		
Current Tax ^	901.78	663.89
Total Current Tax	901.78	663.89
Deferred Tax		
Decrease (increase) in deferred tax assets	(28.96)	(23.81)
Increase in deferred tax liabilities	18.73	0.39
Total deferred tax expense (benefit)	(10.23)	(23.42)
Total Income tax expenses*	891.55	640.47
Tax expenses exclude deferred tax expense/ (benefit) on OCI	1.37	3.49

^ Includes ₹ 201.17 crores of tax on profit on sale of investment in Computer Age Management Services Limited

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Profit before income tax expense	4,464.97	2,525.25
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	1,123.74	635.56
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Profit on sale of investments taxed at other than statutory rate	(261.33)	(0.56)
Impairment of Assets	19.87	-
Interest on tax free bonds	(13.37)	(17.01)
Income taxed at different rate	15.19	26.86
Others	7.45	(4.38)
Income Tax Expense	891.55	640.47

The applicable Indian statutory tax rate for year ended March 31, 2021 is 25.168% (Previous year : 25.168%.)

Notes to consolidated financial statements for the year ended March 31, 2021

c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Deferred income tax assets		
Property, plant and equipment and investment property	2.52	2.18
Provision for leave encashment	5.28	5.15
Others	87.60	58.85
Total deferred tax assets	95.40	66.18
Deferred income tax liabilities		
Property, plant and equipment and investment property	9.93	5.92
Financial Assets at Fair Value through OCI on equity and debt	14.11	12.15
Financial Assets at Fair Value through profit and Loss	65.14	45.54
Tax on undistributed earning of associates	88.59	84.48
Others	30.40	40.38
Total deferred tax liabilities	208.17	188.47
Net Deferred tax liabilities	112.77	122.29
Deferred Tax Assets	5.50	29.96
Deferred tax Liabilities	(118.27)	(152.25)

d) Movement in deferred tax assets

(₹ in Crores)

Particulars	Property, plant and equipment	Provision for leave encashment	Financial Assets at Fair Value through profit and Loss	Others	Total
At 1 April 2019	2.16	5.25	0.42	32.44	40.27
Charged/(credited)					
- to profit or loss	0.02	(0.10)	(0.42)	24.31	23.81
- to other comprehensive income	-	-	-	2.10	2.10
At 31 March 2020	2.18	5.15	-	58.85	66.18
Charged/(credited)					
- to profit or loss	0.34	0.13	-	28.49	28.96
- to other comprehensive income	-	-	-	0.26	0.26
At 31 March 2021	2.52	5.28	-	87.60	95.40

e) Movement in deferred tax liabilities

(₹ in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI on Equity and debt instruments	Tax on undistributed earning of associates	Others	Total
At 1 April 2019	9.28	73.14	6.27	82.23	15.17	186.09
Charged/(credited)						
- to profit or loss	(3.36)	(27.60)		9.05	22.30	0.39
- to other comprehensive income			5.88	(0.29)	-	5.59
-to others				(6.51)	2.91	(3.60)
At 31 March 2020	5.92	45.54	12.15	84.48	40.38	188.47
Charged/(credited)						
- to profit or loss	4.01	19.60		4.44	(9.32)	18.73
- to other comprehensive income			1.96	(0.33)	0.00	1.63
-to others				0.00	(0.66)	(0.66)
At 31 March 2021	9.93	65.14	14.11	88.59	30.40	208.17

Notes to consolidated financial statements for the year ended March 31, 2021

(f) The Group has not recognised deferred tax liability associated with 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	31.03.2021	31.03.2020
The taxable temporary differences relating to investment in subsidiaries with respect to undistributed earnings for which a deferred tax liability has not been created:		
Undistributed Earnings	3,708.96	1,627.66
Unrecognised deferred tax liabilities relating to the above temporary differences	933.47	409.65

Note 20 : INCOME TAX LIABILITIES (NET) - CURRENT*

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Income tax (net of advances)	239.00	196.97
Fringe Benefit Tax (net of Advances)	0.01	0.01
Wealth tax (net of advances)	0.29	0.27
	239.30	197.25

Note 21 : INCOME TAX ASSETS (NET) - NON-CURRENT*

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Income tax paid including TDS (net of provisions)	512.11	502.30
Fringe benefit tax (net of provisions)	2.25	2.23
	514.36	504.53

* 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.

Note 22 : OTHER NON-CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Deposit - STT (Refer note no. 7.1)	5.41	5.41
Total	5.41	5.41

Note 23 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Securities Transaction Tax payable	1,697.12	224.41
Statutory dues payable	452.36	183.82
Advance from customers	69.40	45.28
Others	230.13	58.70
Total	2,449.01	512.21

Notes to consolidated financial statements for the year ended March 31, 2021

Note 24 : DEPOSITS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Deposits from trading members	985.71	1,005.18
Deposits from applicants for membership	12.43	11.13
Deposits from mutual fund distributors	1.81	1.90
Deposits towards equipments	2.75	2.26
Deposits from clearing members	313.65	335.28
Deposits in lieu of bank guarantee/securities from clearing members	89.72	79.01
Deposits from clearing banks	517.55	426.00
Deposits - listing & book building	56.76	23.25
Total	1,980.38	1,884.01

Note 25 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Revenue from contracts with customers :		
<u>Trading services</u>		
Transaction charges (Refer note 25.2)	4,235.62	2,387.77
<u>Listing services</u>		
Listing fees	95.40	91.65
Processing fees	25.34	14.21
Book building fees	24.36	11.01
	145.10	116.87
<u>Colocation Charges (Refer note 25.3)</u>	274.06	166.14
<u>Technology services</u>		
Application development & maintenance services	155.01	135.54
Infrastructure management services	4.60	3.89
E-Learning solutions	116.47	145.69
	276.08	285.12
<u>Data Feed & Terminal services</u>		
Online datafeed service fees	118.28	100.91
Data terminal services fees	15.02	-
	133.30	100.91
<u>Licensing services</u>		
Index licensing & Data subscription fees	105.14	91.51
<u>Clearing & Settlement Services</u>	28.61	10.30
<u>Registration , test enrolment fees & skill training services</u>	37.38	21.02
<u>Others</u>	112.98	87.20
Total (Refer note 25.1)	5,348.27	3,266.84
Other operating revenues :		
Income on investments(Refer note 25.4)	276.55	241.09
Total	5,624.82	3,507.93

Notes to consolidated financial statements for the year ended March 31, 2021

25.1 Reconciliation of revenue recognised with contract price : (₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Contract Price	5,353.73	3,283.69
Adjustments for contract liabilities	(5.46)	(16.85)
Revenue from contracts with customers	5,348.27	3,266.84

25.2 Includes revenue from Transaction charges amounting to ₹ 2,204.72 crores (Previous year : ₹ 1,181.50) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, deposits with financial institutions, mutual funds, bonds, government securities and debentures. [Refer Note 4.1, 5.2, 5.3, 5.4, 6.2, 6.3, 9.1, 10.2, 12.4, 12.5 & 34(b)]

25.3 Pertains to revenue from Colocation services amounting to ₹ 273.58 crores (Previous year : ₹ 166.14) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, deposits with financial institutions, mutual funds, bonds, government securities and debentures [Refer Note 4.1, 5.2, 5.3, 5.4, 6.2, 6.3, 9.1, 10.2, 12.4, 12.5 & 34(b)]

25.4 Represent income generated from sources of fund related to operating activity of the Group.

Note 26 : OTHER INCOME (₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Other income		
Dividend income		
- from equity investments designated at FVOCI	0.69	0.40
Interest income from financial assets at amortised cost	113.38	179.37
Interest income from financial assets designated at FVOCI	36.12	40.22
Rental income	6.14	5.69
Miscellaneous income	16.94	6.40
	173.27	232.08
Other gains/ (losses)		
Net gain/ (loss) on financial assets mandatorily measured at FVPL	210.90	28.78
Net gain on sale of financial assets measured at FVOCI (Refer note 26.1)	5.45	7.04
Net gain on sale of investments measured at amortised cost	9.73	23.09
Net gain on sale of financial assets mandatorily measured at FVPL	175.46	93.68
Net gain on disposal of property, plant and equipment	-	0.54
Net foreign exchange gains	2.70	4.38
Total other income and other gains/(losses)	404.24	157.51
Total	577.51	389.59

26.1 This includes amount of ₹ NIL reclassified from other comprehensive income on account of sale of investments for the year ended March 31, 2021 [Previous Year : ₹ (1.03)]

Notes to consolidated financial statements for the year ended March 31, 2021

Note 27 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Salaries, wages and bonus	439.19	385.74
Contribution to provident and other fund (Refer note 30)	17.40	22.71
Gratuity (Refer note 30)	8.17	4.82
Staff welfare expenses	15.08	16.63
Total	479.84	429.90

Note 28 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Repairs & maintenance		
- To computers, trading & telecommunication systems	144.05	102.53
- To buildings	4.13	4.58
- To others	15.64	14.61
SEBI regulatory fees	92.15	54.63
IT management and consultancy charges	37.88	1.15
Software expenses	117.35	59.28
Network infrastructure management charges	2.64	8.52
Lease line charges	29.58	21.34
Telephone charges	5.02	4.66
Water and electricity charges	35.73	38.42
Rental charges	24.00	24.86
Rates and taxes	7.13	7.76
Directors' sitting fees	2.50	2.18
Legal and professional fees	63.42	52.24
Advertisement and publicity	21.68	20.14
Travel and conveyance	25.98	32.78
Insurance	2.81	2.31
Printing and stationery	0.49	0.55
Corporate social responsibility expenditure (Refer note 42)	74.64	59.76
Contribution to Investor protection fund trust(Refer note 28.1)	3.36	4.21
Investor education expenses	33.44	11.52
Payment to auditors (Refer note below)	2.92	2.42
Doubtful debts written off	8.40	10.39
Provision for doubtful debts	3.10	1.55
Liquidity enhancement incentive	18.68	9.19
Technical & Subcontract Charges	25.20	37.29
Intangible assets under development written off	-	34.11
Loss on sale of property, plant & equipments	-	6.47
Other expenses	202.38	182.63
Total	1,004.30	812.08

Notes to consolidated financial statements for the year ended March 31, 2021

Note :

Payment to auditors

As auditors :

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Audit fees	1.68	1.38
Tax audit fee	0.11	0.10
Limited review	0.49	0.35
In other capacities		
Taxation matters	0.21	0.29
Certification matters	0.15	0.13
Other services	0.28	0.17
Total	2.92	2.42

28.1 It represents 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 refer note 49)

Note 29 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
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	3,573.72	1,885.04
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
Earnings per equity share (basic and diluted)	72.20	38.08

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.

i) Defined contribution plan

The Group's contribution towards superannuation fund during the years has been charged to Statement of Consolidated Profit & Loss as follows:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Group's contribution towards superannuation fund	1.30	1.22

Notes to consolidated financial statements for the year ended March 31, 2021

ii) Defined Benefit Plan :

(a) Provident Fund :

Provident fund:

The Company has established 'National Stock Exchange of India Limited Employees Provident Fund Trust' and one of the subsidiary, NSE Infotech Services Limited has established 'NSE Infotech Services Limited Employees Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees is charged to Statement of Consolidated Profit and Loss. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated the interest shortfall liability for the year / period ended as follows which has been provided in the books of accounts after considering the reserves available with the company's Provident Fund Trust. The Company has contributed towards Provident Fund during the year / period ended as follows.

Other subsidiaries, contribute to the Regional Provident Fund Office as per the applicable rule at the rate of 12% of the employee's basic salary to the said recognised provident fund and the same is charged to to Statement of Consolidated Profit and Loss.

(₹ in Crores)		
Particulars	31.03.2021	31.03.2020
Group's contribution to the provident fund	15.26	11.63
Interest shortfall liability	0.84	9.86

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

(₹ in Crores)		
Particulars	31.03.2021	31.03.2020
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	8% to 10%	10.00%
c. Discount Rate	6.48% to 6.49%	6.59%
d. Attrition Rate	12%	12.00%
e. Weighted Average Yield	8.34%	8.53%
f. Weighted Average YTM	8.00%	8.38%
g. Reinvestment Period on Maturity	5 years	5 years
h. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
i. Total PF assets as on date of valuation (₹ in Crores)	121.77	106.16

(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 based on last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

Notes to consolidated financial statements for the year ended March 31, 2021

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	31.03.2021		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	61.45	(35.11)	26.34
Current service Cost	6.45	-	6.45
Interest cost / (income)	4.03	(2.31)	1.72
Expenses recognised in the Statement of Profit & Loss	10.48	(2.31)	8.17
Remeasurements			
Return on plan assets	-	(0.07)	(0.07)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.24	-	0.24
Actuarial (gains)/losses on obligations - due to experience	0.32	-	0.32
Net (income)/expense for the period recognised in OCI	0.56	(0.07)	0.49
Employer Contributions	-	(20.98)	(20.98)
Increase on account of acquisition	1.32	-	1.32
Benefits paid	(3.92)	2.89	(1.03)
At the end of the year	69.89	(55.58)	14.31

(₹ in Crores)

Particulars	31.03.2020		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	43.57	(30.47)	13.10
Current service Cost	3.74	-	3.74
Interest cost / (income)	3.43	(2.35)	1.08
Expenses recognised in the Statement of Profit & Loss	7.17	(2.35)	4.82
Remeasurements			
Return on plan assets	-	(0.72)	(0.72)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(0.29)	-	(0.29)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	7.54	-	7.54
Actuarial (gains)/losses on obligations - due to experience	1.38	-	1.38
Net (income)/expense for the period recognised in OCI	8.63	(0.72)	7.91
Employer Contributions	-	(3.16)	(3.16)
Liability transferred	4.84	(0.88)	3.96
Benefits paid	(2.76)	2.47	(0.29)
At the end of the year	61.45	(35.11)	26.34

Notes to consolidated financial statements for the year ended March 31, 2021

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)		
Particulars	31.03.2021	31.03.2020
Fair value of plan assets as at the end of the year	55.58	35.11
Liability as at the end of the year	(69.89)	(61.45)
Net (liability) / asset	(14.31)	(26.34)
Non Current Portion	(10.35)	(19.13)
Current Portion	(3.96)	(7.21)

(iii) Sensitivity Analysis

(₹ in Crores)		
Particulars	31.03.2021	31.03.2020
Projected Benefit Obligation on Current Assumptions	68.02	59.37
Delta Effect of +1% Change in Rate of Discounting	(4.14)	(1.66)
Delta Effect of -1% Change in Rate of Discounting	4.73	2.04
Delta Effect of +1% Change in Rate of Salary Increase	4.55	6.17
Delta Effect of -1% Change in Rate of Salary Increase	(4.15)	(5.63)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.91)	(0.82)
Delta Effect of -1% Change in Rate of Employee Turnover	1.03	0.92

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	31.03.2021	31.03.2020
Discount Rate	6.48-6.59%	6.56-6.59%
Rate of Return on Plan Assets	6.48-6.59%	6.56-6.59%
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	31.03.2021	31.03.2020
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	11.15	9.61
2nd Following Year	7.04	5.36
3rd Following Year	5.53	7.10
4th Following Year	5.60	4.89
5th Following Year	5.43	4.92
Sum of Years 6 to 10	27.14	23.63
Sum of Years 11 and above	18.44	14.52

(vi) Expected contribution to gratuity plan for the year ending March 31, 2022 is ₹ 6.48 Crores (P.Y. ₹ 6.07 Crores)

Notes to consolidated financial statements for the year ended March 31, 2021

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, Data Feed, Index Licensing 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: Data Feed Services : This part of business/offers services related to dissemination of price, volume, order book and trade data relating to securities, various indices to the stock and commodity brokers and data terminal services.
- 4: Index Licensing Services : This part of the business primarily provides indices and related products and services to various participants in capital market in India.
- 5: 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.
- 6: Other segments includes End to End Solution, E-learning Solutions, Web Trading, IT services, IT Process Support charges, Software Application development and IT security services. The results of these operations are included in the “Other Segments”.

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, 2021

(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.

Name of the entity in the group	For the year ended 31st March, 2021				For the year ended 31st March, 2020			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services	4,848.29	51.90	4,796.39	3,771.04	2,832.41	46.48	2,785.93	1,964.21
Clearing Services	501.73	265.27	236.46	116.88	366.83	170.23	196.60	102.00
Data feed Services	134.83	1.50	133.33	112.93	101.48	0.56	100.91	96.91
Index Licensing Services	150.99	45.86	105.14	96.50	113.26	21.74	91.52	82.38
Strategic Investments	147.78	147.78	-	(2.16)	82.52	82.52	-	(2.22)
Other Segments	477.44	123.93	353.50	(179.97)	468.06	135.08	332.97	(158.55)
Total	6,261.06	636.24	5,624.82	3,915.22	3,964.56	456.61	3,507.93	2,084.73
Unallocable income (Net of Expenses)				427.46				170.44
Interest income				149.50				219.59
Profit Before Exceptional Items, Core Settlement guarantee fund (Core SGF), Share of Net Profits of Investments accounted for using equity method and tax				4,492.18				2,474.76
Share of net profit of associates accounted by using equity method				65.90				112.57
Profit before Exceptional items, Contribution to Core SGF and tax				4,558.08				2,587.33
Exceptional Items								
Profit on sale of investment in Computer Age Management Services Limited				1,735.09				-
Contribution to Investor Protection Fund Trust				(1,822.05)				-
Impairment of Intangible assets under development				(68.23)				-
Profit after Exceptional items before Contribution to Core SGF and tax				4,402.89				2,587.33
(Reversal) / Contribution to Core SGF				(62.08)				62.08
Profit before Tax				4,464.97				2,525.25
Less: Income Tax Expense								
Current Tax				(901.78)				(663.89)
Deferred Tax				10.23				23.42
Total Tax Expenses				(891.55)				(640.47)
Profit for the period / year				3,573.42				1,884.78

(₹ in Crores)

(c) 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)

Particulars	31.03.2021	31.03.2020
India	5,367.64	3,278.59
Outside India	257.18	229.34
Total Revenue	5,624.82	3,507.93

(d) 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)

Particulars	31.03.2021	31.03.2020
Trading Services	3,011.11	2,511.80
Clearing Services *	13,121.20	13,093.52
Datafeed Services	25.24	10.94
Index Licensing Services	12.41	15.37
Strategic Investments	689.89	872.13
Other Segments	385.49	309.31
Total Segment Assets	17,245.34	16,813.07
Unallocable Assets	11,960.30	7,357.26
Total Assets	29,205.64	24,170.33

There are no non current assets situated outside India.

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 Asset 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	31.03.2021	31.03.2020
Contribution to Core SGF	3,528.30	3,149.13
Contribution to SGF - Commodity Derivatives	250.00	250.00
Contribution to Core SGF - NSE IFSC CC	10.28	9.34

Notes to consolidated financial statements for the year ended March 31, 2021

(e) 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	31.03.2021	31.03.2020
Trading Services	3,476.76	1,773.79
Clearing Services	13,072.71	13,006.01
Datafeed Services	19.84	8.85
Index Licensing Services	2.28	2.23
Strategic Investments	1.14	2.00
Other Segments	146.25	122.02
Total Segment Liabilities	16,718.98	14,914.90
Unallocable Liabilities	850.60	633.34
Core Settlement Guarantee Fund	(3,792.82)	(3,426.67)
Total Liabilities	13,776.76	12,121.57

(f) Segment Capital Expenditure

	(₹ in Crores)	
Segments	31.03.2021	31.03.2020
Trading Services	329.39	199.59
Clearing Services	34.10	40.05
Datafeed Services	3.95	5.73
Index Licensing Services	0.32	0.55
Strategic Investments	-	-
Other Segments	43.22	43.96
Total Segment Capital Expenditure	410.98	289.88
Add: Unallocable Capital Expenditure	-	-
Total Capital Expenditure	410.98	289.88

(g) Segment Depreciation / Amortisation

	(₹ in Crores)	
Segments	31.03.2021	31.03.2020
Trading Services	165.63	131.87
Clearing Services	13.40	9.77
Datafeed Services	1.47	0.45
Index Licensing Services	1.29	1.25
Strategic Investments	-	-
Other Segments	43.70	36.90
Total Segment Depreciation / Amortisation	225.49	180.24
Add: Unallocable Depreciation / Amortisation	0.52	0.54
Total Depreciation / Amortisation	226.01	180.78

Notes to consolidated financial statements for the year ended March 31, 2021

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	30.95%
2	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	Joint Venture Company	Software Industry	30.00%
5	NSDL Database Management Limited	Subsidiary of Associate Company	Depository Services	24.00%
6	BFSI Sector Skill Council of India	Associate Company	Skill Council	49.00%
7	Receivables Exchange of India Limited	Associate Company	Online Platform for financing receivables (TReDS)	30.00%
8	Capital Quants Solutions Private Limited (w.e.f. February 26, 2021)	Associate Company	Data processing	17.00%
9	Indian Gas Exchange Limited (w.e.f. March 16, 2021)	Associate Company	Gas Exchange	26.00%
10	Computer Age Management Services Limited (upto February 4, 2020)	Associate Company	Mutual Fund Transfer Agency	37.50%
11	CAMS Investor Services Private Limited (upto February 4, 2020)	Subsidiary of Associate Company	Mutual Fund Transfer Agency	37.50%

Sr. No. List of Key Management Personnel

1	Mr. Vikram Limaye - Managing Director
2	Mr. Girish Chandra Chaturvedi (w.e.f. 08-Nov-2019)
3	Ms. Anuradha Rao (w.e.f. 08-Nov-2019)
4	Mr. Abhay Havaladar (upto 25-Sep-2020)
5	Mr. Dinesh Kanabar (upto 17-Feb-2020)
6	Mr. Naved Masood (upto 17-Feb-2020)
7	Mr. T. V. Mohandas Pai (upto 17-Feb-2020)
8	Mr. Prakash Parthasarathy
9	Mr. Sundararajaramo Sudharshan (w.e.f. 17-Feb-2020)
10	Mr. Narsimha Murthy Kummamari (w.e.f. 17-Feb-2020)
11	Ms. Mona Bhide (w.e.f. 21-Apr-2020)
12	Ms. Dharmishta Raval (upto 31-Aug-2019)
13	Ms. Sunita Sharma

Notes to consolidated financial statements for the year ended March 31, 2021

Power Exchange of India Limited

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
Application Development and Maintenance Services	0.19	0.45
Reimbursement received for expenses incurred	-	0.08
Closing balances (Credit) / Debit	0.05	0.06

NSDL e-Governance Infrastructure Limited

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
PAN verification charges paid*	0.00	0.02
Application Development and Maintenance Services	0.51	0.53
Reimbursement received for expenses incurred	-	0.09
Dividend received	45.08	6.51
Sitting Fees Received	0.06	0.06
Director Commission	0.20	0.16
Closing balances (Credit) / Debit	0.44	0.27

National Securities Depository Limited

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
Dividend received	3.55	2.88
Depository operation fees	0.18	0.28
Application Development and Maintenance Services	0.30	0.26
Reimbursement received for expenses incurred	-	0.05
DP Validation Charges	1.21	0.40
Closing balances (Credit) / Debit	0.17	0.15
Investment in Equity Share Capital	58.92	58.92

NSDL Database Management Limited

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
Application Development and Maintenance Services	0.79	1.02
Infrastructure Management Services	-	-
KRA fees received / receivable	0.04	0.03
Reimbursement received for expenses incurred	-	0.18
Closing balances (Credit) / Debit	0.34	0.71

Notes to consolidated financial statements for the year ended March 31, 2021

Computer Age Management Services Limited

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
Dividend Received	-	22.27
Sharing of Income	-	1.29
Sitting Fees Received	-	0.07
Amount paid towards Rent	-	0.37
Cash management charges	-	0.30
Closing balances (Credit) / Debit	-	-

CAMS Investor Services Private Limited

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
KRA fees received / receivable	-	0.13
KRA fees Paid / payable*	-	0.00
Closing balances (Credit) / Debit	-	-

Market Simplified India Limited (formerly known at INXS Technologies Limited)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
License Fees paid/ payable	-	0.35
Closing balances (Credit) / Debit	-	-

Receivables Exchange Of India Limited

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
Reimbursement received for expenses on staff on deputation	0.18	-
Subscription of Equity Shares	-	3.75
Closing balances (Credit) / Debit	0.29	0.45

Key Management Personnel - Mr. Vikram Limaye - Managing Director (w.e.f. 17-Jul-2017)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
Short-term employee benefits	8.62	7.97
Post-employment benefits(Refer note 32.2)	0.28	0.26
Long-term employee benefits(Refer note 32.1)	1.32	1.21
Total Remuneration	10.22	9.44

Key Management Personnel

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Nature of Transactions		
Sitting Fees Paid to Directors	2.01	1.58

Notes to consolidated financial statements for the year ended March 31, 2021

32.1 Includes 50% of the variable pay payable after 3 years subject to certain conditions

32.2 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

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. There have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2021 and March 31, 2020. The Group has not recorded any impairment of receivables relating to amount owed by related parties.

32.3 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 Judgement with effect from April 1, 2019. In Group’s assessment, this did not have a significant impact on its financial statements.

Note 33 : CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	92.81	149.93
Other commitments (Primarily in respect of operating expenses)	585.09	340.89

Note 34 : CONTINGENT LIABILITIES & OTHER REGULATORY MATTERS:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
a) Claims against the Group not acknowledged as debts	12.88	12.88

b) Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Ltd (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE’s Colocation facility. Accordingly, Investigation 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 continues to transfer till date all revenues emanating from the colocation facility to a separate account. As of March 31, 2021, an amount of ₹6,085.04 crores (March 31, 2020 ₹3,606.73 crores) was transferred to a separate bank account and the same has been invested in accordance with Board’s approved investment policy and procedures. These investments along with accruals there on have been shown under restricted / earmarked investments and bank balances.

Three separate show cause notices 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 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 has passed three orders in respect of all the three show cause notices. In the first order, it has passed a direction on NSE inter alia to disgorge an amount of ₹624.89 crores along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment and certain non-monetary and restrictive directions prohibiting the Company from raising funds from the market, through issuance of equity,

Notes to consolidated financial statements for the year ended March 31, 2021

debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of ₹62.58 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with certain non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE has also received Adjudication notices covering the above three orders for which NSE has filed its replies with SEBI. Hearing before SEBI in respect of all three Adjudication matters have been completed. With respect to Adjudication notice pertaining to preferential access to tick by tick data at the Company's Colocation facility, SEBI on February 10, 2021 passed an order and levied a monetary penalty of one Crore. Order of SEBI in relation to Adjudication Dark Fibre point to point connectivity and Governance and conflict of interest matters is awaited.

The Company having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with Hon'ble Securities Appellate Tribunal (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 crores in the Colocation matter and ₹62.58 crores in the Dark Fibre matter totalling to ₹687.47 crores to SEBI which has been remitted by the Company on June 13, 2019 out of the total earmarked investments as indicated above. Accordingly, as on March 31, 2021 the total earmarked investment including income accrued thereon stood at ₹6,046.93 crores (March 31, 2020 ₹3,288.86 crores). Further, the Company was also directed to continue to transfer all revenues emanating from its co-location facility to a separate bank account. With respect to Governance and related matters, Hon'ble SAT vide its interim order has kept the directions passed in the SEBI order in abeyance. SAT, in an appeal filed by the Company also stayed the penalty levied by SEBI in relation to Adjudication order passed by it on preferential access to tick by tick data at the Company's Colocation facility.

While the Company's appeal in respect of the colocation matter has been heard by the Hon'ble SAT and the same is reserved for orders, the company has, in the interim, filed an application with Hon'ble SAT to permit withdrawal of the amount transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues emanating from its co-location facility to the separate bank account going forward. The hearing for the same is scheduled on May 17, 2021.

The Company believes that it has strong grounds to contest in each of the above orders including monetary liability (including from completed / pending adjudication proceedings) passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial results as of and for the year ended March 31, 2021.

Summary of the above earmarked investments, bank and other balances

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Debentures	-	313.40
Mutual Funds	2,452.99	2,113.58
Taxfree bonds	701.09	169.65
Taxable bonds	485.12	-
Government Securities	544.65	-
Bank deposits and Inter corporate deposits	1,534.31	312.45
Bank balance	0.34	3.42
Receivable on sale of investment	-	179.19
Trade Receivables	311.29	188.54
Amount relates to investments matured pending transfer to colocation bank account	17.14	8.63
Total	6,046.93	3,288.86

- c) NSE is 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 by NSE

Notes to consolidated financial statements for the year ended March 31, 2021

on October 27, 2020. Company has recently concluded the arguments on merits before SEBI in the matter and order of SEBI is awaited. SEBI has not indicated any specific measure or direction in respect of monetary liability in the matter. In view of the same, no provision is presently made/determinable in the financial results.

- d) 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 of 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 has preferred an appeal against the SEBI order challenging the findings and the said penalty levied by SEBI. SAT has stayed the effect and operation of the order during the pendency of the appeal, which is yet to be heard on merits. The Company believes that there exists legal and equitable grounds in its appeal before SAT. 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, 2021.
- e) NSE is in receipt of SEBI Adjudication Show Cause Notice dated January 07, 2021 with respect to the default of Karvy Stock Broking Limited, erstwhile trading member registered with the Company. The Company has filed its detailed response with SEBI on February 23, 2021 and the matter is yet to be heard. The Company is of the view that pending conclusion of this matter with SEBI, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2021.
- f) SEBI issued Adjudication Show Cause Notice dated March 26, 2021 to NSE with respect to STP centralised hub services provided by the Company. The Company has filed the settlement application in terms of the SEBI Settlement regulation. Pending response from SEBI on the said matter a reliable estimate of the obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial statement as of and for the year ended March 31, 2021.
- g) On February 24, 2021, the NSE's trading system 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 maintained by Hitachi, 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. As directed by SEBI, the Company has submitted a root cause analysis of the incident a report of the Standing Committee on Technology (SCOT), a technology sub-committee of the Board. The Company continues to respond to various queries as received from SEBI.
- h) Additionally, 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 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, 2020 : ₹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 stated 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.
- j) 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

Notes to consolidated financial statements for the year ended March 31, 2021

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, 2021.

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

- k) NSEIT Limited, a subsidiary Company of NSE Investments Limited, has been providing Straight Through Processing (STP) services to its customers based on an approval granted by Securities and Exchange Board of India (SEBI) since June 2004. During the course of time there has been certain key managerial function changes within the subsidiary and as a consequence of which the renewal which was required was missed out inadvertently though the subsidiary continued to render the STP services. The subsidiary thereafter applied for renewal of the approval in December 2019, which was processed by SEBI and an approval was granted on 5th February, 2021 which is valid for a period of 3 years from the date of issuance.

Subsequently the subsidiary is in receipt of a Show Cause Notice (SCN) dated 26th March 2021 from SEBI, wherein it has been alleged that the subsidiary has been providing services of STP as a service provider as specified in the STP guidelines, however the Company has not obtained renewal of approval from SEBI within the stipulated time. The Company is in the process of filing of the settlement application under the SEBI Settlement Regulations. The Group's management reasonably expects that the impact of this SCN, when ultimately concluded and determined, will not have material impact on the Group financial statements.

- l) Other Contingent Liabilities on account of disputed demand of:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Income tax matters	879.77	539.54
Fringe Benefit Tax matters	2.22	2.22
Wealth tax matters	0.09	0.09
Goods & Service Tax matters	0.51	0.24
Services tax matters along with penalty thereon	152.13	126.58
Securities Transaction Tax matters (Refer note 7.1)	-	6.74
Group's share of associates	22.71	20.76

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 statement.

- m) Bank guarantees

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Bank guarantees	1,047.45	513.90
Group's share of associates	0.06	6.00

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. Further, NCL has given bank guarantee of ₹1000 crores (P.Y ₹500 crores) in favour of ICCL towards Inter CCP collateral under interoperability framework.

Notes to consolidated financial statements for the year ended March 31, 2021

35 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Trade Payables includes ₹ 1.78 Crores (March 31, 2020: ₹ 1.21 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 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	31.03.2021	31.03.2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.78	1.21
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end *	0.00	-
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 *	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

36 LEASE

(i) Amounts recognised in balance sheet

The balance sheet includes the following amount relating to leases:

(₹ in Crores)		
Particulars	31.03.2021	31.03.2020
Right-of-use-assets		
Land	74.71	76.01
Buildings	52.37	54.28
Total	127.08	130.29

(₹ in Crores)		
Particulars	31.03.2021	31.03.2020
Lease liabilities		
Current	16.80	14.92
Non Current	54.03	54.05
Total	70.83	68.97

Notes to consolidated financial statements for the year ended March 31, 2021

(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	31.03.2021	31.03.2020
Depreciation charge of Right-of-use assets		
Buildings	17.88	14.64
Land	1.30	1.30
Total	19.18	15.94

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Interest expenses	6.62	7.15
Total	6.62	7.15

(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

(₹ in Crores)

Net debt as on April 1, 2019	80.54
Add: Interest expense	7.15
Less: Cash flows	(18.72)
Net debt as at March 31, 2020	68.97
Add: Interest expense	6.62
Add: Addition of Debt	18.27
Less: Cancellation of debt on surrender of lease	(0.20)
Less: Extinguishment of lease liabilities due rent concession	(2.27)
Less: Cash flows	(20.56)
Net debt as at March 31, 2021	70.83

Notes to consolidated financial statements for the year ended March 31, 2021

- 37 a)** Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, interalia, 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, 2021 are as follows : (₹ in Crores)

Details of MRC of Core SGF	CM	FO	CD	Debt	TRI Party	Commodity	Total
NCL own contribution	77.96	593.00	75.20	3.00	8.50	5.00	762.66
Interest Adjusted towards NCL`s Contribution	29.04	79.00	20.80	-	-	-	128.84
Contribution by NSE on behalf of Member	42.93	296.00	23.00	-	-	2.50	364.43
Interest Adjusted towards member`s Contribution	10.07	40.00	25.00	-	-	-	75.07
Contribution by National Stock exchange of India (NSE)	40.65	297.00	24.00	1.00	8.50	2.50	373.65
Interest Adjusted towards NSE`s Contribution	13.35	39.00	24.00	-	-	-	76.35
Contribution by BSE Limited (BSE)	4.36	0.05	10.55	-	-	-	14.96
Contribution by Metropolitan Stock Exchange of India (MSE)			1.01	-	-	-	1.01
Total	218.36	1,344.05	203.56	4.00	17.00	10.00	1,796.97
Previous Year	214.00	1,248.00	112.00	4.00	17.00	10.00	1,605.00

II Details of Core SGF as on March 31, 2020 are as follows : (₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
I Contribution to Corpus of Core SGF								
a NCL own contribution	107.00	624.00	56.00	3.00	8.50	5.00		803.50
b Contribution by NSE on behalf of Member	53.00	312.00	28.00	-	-	2.50	-	395.50
c Contribution by NSE	54.00	312.00	28.00	1.00	8.50	2.50	327.51	733.51
1. Total (a+b+c)	214.00	1,248.00	112.00	4.00	17.00	10.00	327.51	1,932.51
2 Penalty*	64.94	550.95	30.89	-	-	0.03	-	646.81
3 Income on Investments*	26.79	420.24	27.26	0.87	2.27	0.85	91.52	569.81
Grand Total (1+2+3)	305.73	2,219.19	170.15	4.87	19.27	10.88	419.03	3,149.13

III Contribution made during the year 2020-21 (₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
NCL own contribution								
Direct Contribution	-	-	28.20	-	0	-	-	28.20
Adjusted from Interest Income **	-	48.00	11.80	-	-	-	-	59.80
Total	-	48.00	40.00	-	-	-	-	88.00

Notes to consolidated financial statements for the year ended March 31, 2021

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Contribution by NSE on behalf of Member								
Direct Contribution	-	-	-	-	-	-	-	-
Contribution adjusted from NSE Other Contribution #	-		-	-	-	-	-	-
Adjusted from Interest Income **		24.00	20.00	-	-	-	-	44.00
Total	-	24.00	20.00	-	-	-	-	44.00

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Contribution from Exchanges								
Contribution by NSE								
Direct Contribution	-	-	-	-	-	-	-	-
Adjusted against NSE's Own and member's contribution	-		-	-	-	-	-	-
Contribution adjusted from NSE Other Contribution #		-		-	-	-	-	-
Adjusted from Interest Income **		24.00	20.00	-	-	-	70.51	114.51
Excess Contribution transfer to Other Clearing Corporation***							-70.51	-70.51
Total	-	24.00	20.00	-	-	-	-	44.00

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Contribution by BSE								
Direct Contribution	4.36	0.05	10.55	-	-	-	-	14.96
Total	4.36	0.05	10.55	-	-	-	-	14.96
Contribution by MSEI								
Direct Contribution	-	-	1.01	-	-	-	-	1.01
Total	-	-	1.01	-	-	-	-	1.01

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Contribution by MSEI								
Direct Contribution	-	-	1.01	-	-	-	-	1.01
Total	-	-	1.01	-	-	-	-	1.01

Notes to consolidated financial statements for the year ended March 31, 2021

Income during the period (Net Off adjustment towards MRC) **

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Current year	Previous year
Penalty	46.00	170.16	6.75	-	-	0.04	-	222.95	161.10
Income on Investments	17.67	131.47	11.74	0.08	1.13	0.62	19.86	182.57	201.11
Less : Income adjusted against MRC**	-	96.00	19.94	-	-	-	31.86	147.80	18.00
Less : Income adjusted towards transfer of contribution to Other Clearing Corporation***							70.51	70.51	-
Income on Investments (Net Off adjustment towards MRC)	17.67	35.47	-8.20	0.08	1.13	0.62	-82.51	-35.75	183.11

IV Details of Core SGF as on March 31, 2021 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
a NCL own contribution	107.00	672.00	96.00	3.00	8.50	5.00		891.50
b Contribution by NSE on behalf of Member	53.00	336.00	48.00	-	-	2.50	-	439.50
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	10.55	-	-	-		14.96
e Contribution by MSE	-	-	1.01	-	-	-		1.01
1 Total (a+b+c+d)	218.36	1,344.05	203.56	4.00	17.00	10.00	327.51	2,124.48
2 Penalty*	110.94	721.11	37.64	-	-	0.07	-	869.76
3 Income on Investments (After allocation towards MRC)*	44.46	455.71	19.06	0.95	3.40	1.47	9.01	534.06
Grand Total (1+2+3)	373.76	2,520.87	260.26	4.95	20.40	11.54	336.52	3,528.30

II Details of Investment

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
1 Fixed Deposit with Banks	327.23	2,263.15	227.26	0.90	19.21	7.87	318.09	3,163.71
2 Flexi Fixed Deposits	25.87	131.19	17.75	0.95	0.01	3.39		179.16
3 Balance in Bank Accounts	3.95	1.04	4.98	2.73	-	0.05	-	12.75
4 Accrued interest	11.78	86.99	7.54	0.11	0.93	0.15	11.45	118.95
5 Prepaid taxes	4.93	38.50	2.73	0.26	0.25	0.08	6.98	53.73
Grand Total (1+2+3+4+5)	373.76	2,520.87	260.26	4.95	20.40	11.54	336.52	3,528.30
Previous year	305.73	2,219.19	170.15	4.87	19.27	10.88	419.03	3,149.13

37.1 * Net of applicable corporate tax ₹ 9.38 Crores , if any, on cash basis

37.2 # Other contribution is balance amount of transfer from NSE pertain 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

Notes to consolidated financial statements for the year ended March 31, 2021

“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, ₹15.97 crores contribution of other stock exchanges received from respective clearing corporation and also a sum of ₹70.51 crores of NSE contribution transferred to other clearing corporation.
- 37.5(a) During FY 2018-19, NSE Clearing Limited has received approval from SEBI to start clearing & settlement activities in Commodity Derivatives. As required by SEBI minimum amount of ₹ 250 crores has been earmarked towards a separate fund for the purpose of augmenting Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, the company has also earmarked investments amounting to ₹ 250 crores towards the same. The operations in Commodity Derivatives commenced w.e.f. October 12, 2018.
- (b) SEBI vide circular no. SEBI/HO/MRD/DSA/ CIR / P/2016/125 dated November 28, 2016 has issued norms for set up of fund and minimum corpus of fund to guarantee the settlement of trades executed in the stock exchanges in IFSC.

Particulars	(₹ in Crores)	
	As at 31.03.2021	As at 31.03.2020
Company`s Own contribution*	9.84	9.05
Penalty collected from members	0.03	0.02
Accrued interest on CSGF FD	0.41	0.27
	10.28	9.34

*Company`s own contribution includes contributions of ₹ 1.00 crores made during current year (₹ 0.50 crores made during previous year 2019-20) and balance increase is on account of currency fluctuation.

- 38 a) SEBI vide its circular dated August 10, 2017 has permitted exchanges in GIFT IFSC to introduce Liquidity Enhancement Scheme (LES) to enhance liquidity. Considering, the nascent stage of business SEBI has granted exemption to comply with the conditions of giving the incentive out of accumulated free reserves of the exchange and has advised exchanges to create a reserve specifically to meet Liquidity Enhancement Scheme Incentive 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 ₹10.54 crores (previous year ₹8.94 crores) to LES incentive reserve and ₹ 10.79 crores (previous year ₹9.19 crores) was spent as incentive paid/payable to the trading members leaving a balance of ₹1.00 crores in LES incentive reserve as at March 31, 2021 (previous year ₹1.26 crores). Based on the past trend, the management is of the view that the balance in LES reserve as at March 31, 2021 is sufficient to meet the LES incentive payout for the following month. (Refer Note 13b)

- 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.
- c) During the year, National Stock Exchange (NSE) and Singapore Stock Exchange (SGX) have entered into a 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.

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39. INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries are set out below. Share capital consisting solely of equity shares that are held directly by the Group including preference shares, 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, 2021	March 31, 2020	
NSE Clearing Limited (formerly known as National Securities Clearing Corporation 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	CSR activities
NSE Investments Ltd (formerly known as NSE Strategic Investment Corporation Limited)	31-Jan-13	India	100.00	100.00	Investment entity
NSE Indices Ltd (formerly known as India Index Services & Products Limited)	02-Aug-06	India	100.00	100.00	Index services
NSE Infotech Services Limited (Refer Note 43)	02-Aug-06	India	100.00	100.00	IT services
NSE Data & Analytics Limited (formerly known as DotEx International Limited)	02-Jun-00	India	100.00	100.00	Data Feed Services
Cogencis Information Services Limited	21-Jan-21	India	100.00	-	Data Terminal Services
NSE Academy Limited	12-Mar-16	India	100.00	100.00	Financial literacy programmes
Talentsprint Private Limited	10-Nov-20	India	74.54	-	Skill development and Training programme
NSEIT Limited	29-Oct-99	India	100.00	100.00	IT services
NSEIT (US) Inc.	04-Dec-06	United States of America	100.00	100.00	IT services
Aujas Cybersecurity Limited (formerly known as Aujas Networks Limited and Aujas Networks Private Limited)	22-Mar-19	India	99.29	96.84	IT security services

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(b) Interests in associates

- i. 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, 2021	March 31, 2020		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
National Securities Depository Limited	India	Associate	24.00	24.00	Equity method	221.07	180.75	44.47	29.94
Power Exchange India Limited	India	Associate	34.21	34.21	Equity method	-	-	-	-
NSDL e-Governance Infrastructure Limited	India	Associate	25.05	25.05	Equity method	215.19	237.88	23.10	30.36
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 (w.e.f. 16.03.2021)	India	Associate	26.00	-	Equity method	19.11	-	(0.09)	-
Capital Quant Solutions Private Limited (w.e.f. 26.02.2021)	India	Associate	17.00	-	Equity method	2.99	-	(0.01)	-
Receivables Exchange of India Limited	India	Associate	30.00	30.00	Equity method	7.30	5.13	(1.57)	(2.45)
Computer Age Management Services Limited (Refer note 39.2)	India	Associate	-	-	Equity method	-	-	-	54.72
Total equity accounted investments						466.66	424.76	65.90	112.57
Non Current Investments Held for Sale									
Computer Age Management Services Limited (Refer note 39.2)	India		-	-		-	440.00	-	-
						466.66	864.76	65.90	112.57

Note 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.

Note 39.2 NSE Investments Limited, had acquired 44.99% equity stake in Computer Age Management Services Limited (CAMS) in Financial Year 2013-14.

National Stock Exchange of India Limited (NSE), the holding company, had received a letter dated February 04, 2020 from SEBI, inter alia, directed NSE to divest its entire stake in CAMS (1,82,46,600 shares i.e. 37.50% as on February

Notes to consolidated financial statements for the year ended March 31, 2021

04 2020) within a period of 1 year; withdraw its directorship in CAMS and not to exercise voting rights and avail any corporate benefits in respect of the shareholding.

In view of the above directions of SEBI, as on March 31, 2020, the entire investment of 37.50 % in CAMS was reclassified from 'Investment' to 'Assets classified as held for Sale' and the same was carried at the lower of carrying amount and fair value as per Indian Accounting Standard (Ind AS) 105 - 'Non-current Assets Held for Sale and Discontinued Operations'. Further, NSE had withdrawn its nominee Directors in CAMS and had not exercised any voting rights or availed any corporate benefits from the date of the letter.

During the year ended March 31, 2021, the Company has divested its entire stake in CAMS, resulting in net profit of ₹1,735.09 Crores which is shown as Exceptional item. Further, for the year ended March 31, 2021, the company has not received dividend from CAMS (Previous Year ended 31.03.2020 ₹22.27 crores and related tax expenses is ₹ 4.58 crores).

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 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 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 31st March, 2021 and 31st March, 2020. 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.

Notes to consolidated financial statements for the year ended March 31, 2021

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
As at March 31, 2021					
Trade payables	14	240.50	240.50	-	240.50
Deposits	16, 24	1,988.44	1,988.44	-	1,988.44
Lease liabilities	36b	70.83	16.80	176.47	193.27
Other liabilities	15, 16	8,522.64	8,509.69	12.96	8,522.64
As at March 31, 2020					
Trade payables	14	166.46	166.46	-	166.46
Deposits	16, 24	1,891.11	1,891.11	-	1,891.11
Lease liabilities	36a	68.97	14.92	183.35	198.27
Other liabilities	16	8,989.11	8,989.11	-	8,989.11

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 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
1. PRICE RISK		
<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 2021, the exposure to price risk due to investment in mutual funds amounted to ₹ 7447.40 crores (March 31, 2020: ₹ 3962.30 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 use of any new investment must be approved by the Chief Financial Officer.</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 ₹ 18.62 crores gain in the Statement of Profit and Loss (2019-20: ₹ 9.91 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p>
<p>At 31st March 2021, the exposure to price risk due to investment in exchange traded fund amounted to ₹ 11.14 crores (March 31, 2020: ₹ 239.57 crores).</p>		<p>For exchange traded fund, a 10% increase in prices would have led to approximately an additional ₹ 1.11 crores gain in the Statement of Profit and Loss (2019-20 : ₹ 23.96 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>

Notes to consolidated financial statements for the year ended March 31, 2021

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
At 31st March 2021, the exposure to price risk due to investment in equity instruments amounted to ₹ 127.95 crores (March 31, 2020: ₹ 123.43 crores).		For equity instruments, a 10% increase in prices would have led to approximately an additional ₹ 12.80 crores gain in the Statement of Profit and Loss (2019-20: ₹ 12.34 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.
2. INTEREST RATE RISK		
<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 which impacts the price of these investments.</p> <p>As at 31st March, 2021, the exposure to interest rate risk due to investment in government securities amounted to ₹ 544.65 crores (March 31, 2020: ₹ 487.43 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 use of any new investment must be approved by the Chief Financial Officer.</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 ₹ 7.68 crores loss in the Statement of Profit and Loss (2019-20: ₹ 7.98 crores loss). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

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, is that credit risk is low. Accordingly, our 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, investments in marketable debt instruments including government securities, mutual funds and exchange traded 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.

Notes to consolidated financial statements for the year ended March 31, 2021

The Group's maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 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 has recognised impairment loss of ₹ 80.13 crores on such financial assets in the profit and loss account in the financial year 2018-19.

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 profit, 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. We consider 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 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 is regulated by Securities and Exchange Board of India (SEBI). As per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, Clearing corporation shall have a minimum net worth of ₹300 crores at all times.

Further, SEBI vide Regulation 14(3) of SECC Regulations 2018 adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations(CC) to adequately cover counterparty credit risk, business risk, orderly Wind-down and operational & legal risk. As per Regulation 14(3) (c) of SECC Regulations 2018 every CC shall have a minimum net worth of ₹100 crores or networth Computed as per the risk-based approach as may specified by SEBI from time to time, whichever is higher.

Accordingly, SEBI vide circular Ref No: SEBI/HO/MRD/DRMP/CIR/P/2019/55 dated April 10, 2019 issued granular norms related to computation of risk based capital and net worth requirement for CCs effective from FY2019-20. The networth requirement for the Company calculated as per the above SEBI circular is ₹1083.76 crores based on audited financial statements for year ended March 31, 2020. Minimum requirement of Net worth is maintained throughout the year ended March 31, 2021.

Capital requirement of NSE IFSC Limited is regulated by SEBI. As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted stock exchange is required to maintain the minimum networth of ₹25 crores and enhance it to ₹100 crores at the end of third year from the date of approval, i.e. May 28, 2017, to operate an exchange as per SEBI guidelines. Further, SEBI has granted relaxation for 1 year and allowed exchange to maintain minimum networth

Notes to consolidated financial statements for the year ended March 31, 2021

of 25 crores till May 28, 2021. Further, International Financial Services Centres Authority has issued International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 on April 12, 2021. Regulation 14 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 requires the company to have net worth of at least USD 3 million at all times. The company is in compliance of the same.

Capital requirement of NSE IFSC Clearing Corporation Limited is regulated by SEBI. As per SEBI (International Financial Services Centres) Guidelines, 2015, every permitted clearing corporation shall have a minimum networth equivalent of ₹ 50 crores initially and it shall enhance its networth to a minimum equivalent of ₹ 300 crores over the period of three years from the date of approval. Further, International Financial Services Centres Authority has granted relaxation for 1 year and allowed exchange to maintain minimum networth of 50 crores till June 5, 2022.

The parent company and its subsidiaries are in compliance with the said requirement.

F FAIR VALUE MEASUREMENTS

Financial Instruments by category							(₹ in Crores)
Particulars	31-03-2021			31-03-2020			
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	
Financial Assets							
Investments							
Equity Instruments	-	127.95	-	-	123.43	-	
Debentures	-	-	-	-	-	390.80	
Taxable Bonds	-	-	485.12	-	-	141.75	
Taxfree Bonds	-	-	746.23	-	-	751.03	
Fixed Deposits with Banks	-	-	5,854.17	-	-	4,187.62	
Deposits with financial institutions	-	-	308.95	-	-	311.01	
Government Securities	-	544.65	-	-	487.43	-	
Mutual Funds	7,447.40	-	-	3,962.30	-	-	
Exchange Traded Funds	11.14	-	-	239.57	-	-	
Trade receivables	-	-	998.58	-	-	652.11	
Cash and Cash equivalents including restricted balances with banks	-	-	9,380.24	-	-	9,385.78	
Contract Assets	-	-	33.06	-	-	12.96	
Assets classified as held for sale	-	-	-	-	-	440.00	
Security deposits	-	-	5.56	-	-	4.57	
Other receivables	-	-	14.36	-	-	239.48	
Total financial assets	7,458.54	672.60	17,826.27	4,201.87	610.86	16,517.12	
Financial liabilities							
Trade payables	-	-	240.50	-	-	166.46	
Deposits	-	-	1,988.44	-	-	1,891.11	
Other liabilities	-	-	8,522.64	-	-	8,989.11	
Total financial liabilities	-	-	10,751.58	-	-	11,046.68	

Notes to consolidated financial statements for the year ended March 31, 2021

G - FAIR VALUE MEASUREMENTS

(i) Fair Value hierarchy and valuation technique used to determine fair value :

This note explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in these consolidated 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 below the table.

Financial Assets measured at Fair Value - recurring fair value measurements at 31.03.2021 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4 & 9	7,428.76	-	-	7,428.76
Mutual Fund - Fixed Maturity Plan	9	-	18.63	-	18.63
Exchange Traded Funds	4	11.14	-	-	11.14
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	544.65	-	544.65
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd and Goods And Service Tax Network	4	-	-	127.19	127.19
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.76	-	-	0.76
Total Financial Assets		7,440.66	563.28	127.19	8,131.13

Financial Assets measured at Fair Value - recurring fair value measurements at 31.03.2020 (₹ in Crores)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4 & 9	3,390.62	0	-	3,390.62
Mutual Fund - Fixed Maturity Plan	4	-	571.68	-	571.68
Exchange Traded Funds	4	239.57	-	-	239.57
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	487.43	-	487.43
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd and Goods And Service Tax Network	4	-	-	122.87	122.87
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.56	-	-	0.56
Total Financial Assets		3,630.75	1,059.11	122.87	4,812.73

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

Notes to consolidated financial statements for the year ended March 31, 2021

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, 2021

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, 2021 and 31 March, 2020:

(₹ in Crores)

Particulars	Unlisted Equity security
As at 1 April 2019	74.63
Gains (losses) recognised in Other Comprehensive Income	(12.30)
As at 31 March 2020	62.33
Gains (losses) recognised in Other Comprehensive Income	4.32
As at 31 March 2021	66.65

Notes to consolidated financial statements for the year ended March 31, 2021

(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
	31.03.2021	31.03.2020		31.03.2021	31.03.2020
Unquoted Equity Shares - NCDEX	126.19	121.87	P/B Multiple	5.0x	5.1x
			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
			P/B multiple based on latest available transactions	NA	NA
			Average P/B multiple arrived at	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹ In Crores)	525.80	507.83
			Equity valuation of NCDEX (₹ In Crores)	841.28	812.44
			Valuation of 15% stake (₹ In Crores)	126.19	121.87

* 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	31.03.2021		31.03.2020	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Debentures	4 & 9	-	-	390.80	391.85
Taxable Bonds	4	485.12	496.57	141.76	146.00
Taxfree Bonds	4	746.23	826.70	751.04	787.37
Fixed Deposits with Banks	5, 6 & 12	5,854.17	5,924.28	4,187.62	4,166.70
Deposits with financial institutions	5 & 6	308.95	312.88	311.01	309.29
Security Deposits	5 & 6	5.56	5.56	4.57	4.57
Total Financial Assets		7,400.03	7,565.99	5,786.80	5,805.78

- 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 the same as their fair values, due to current and short term nature of such balances.

- The fair value of finance lease obligation, debentures, taxable bonds, taxfree bonds, 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 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 consolidated financial statements for the year ended March 31, 2021

41 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.

42 (a) Gross amount required to be spent by the Group on Corporate Social Responsibility activities for the year ended March 31, 2021 is ₹ 43.83 crores.(Previous year: ₹41.15 Crores)

(b) Disclosures in relation to corporate social responsibility expenditure:

Particulars	(₹ in Crores)	
	31.03.2021 In cash	31.03.2020 In cash
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above incurred by NSE Foundation towards CSR	64.64	49.76
(iii) Contribution to PM Cares Fund	10.00	10.00

i) The Group has adjusted the Contribution of ₹10 Crores given to PM Cares Fund in FY 2019-20 against the amount required to be spent of current financial year.

43. During the financial year 2018-19, the Parent company NSE had co-opt the technology function internally and absorbed all the employees of NSE Infotech Limited (NSETTECH), within NSE. Accordingly, all the employees of NSETTECH were transferred to NSE due to which the core operations of NSETTECH in the nature of IT management and support services to NSE and its Group Companies ceased to exist and there was no revenue generated from the operations by NSETTECH. In view of the same it is not practical for NSETTECH to prepare its financial statements on a going concern basis. The total assets of NSETTECH as at March 31,2021 is ₹ 1.99 Crores and other income for the year ending 31st March, 2021 is ₹ 0.26 Crores which is insignificant for the Group.

44 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*	Net Amount
31.03.2021						
<u>Financial Assets</u>						
Trade Receivables	787.45	-	787.45	-	(985.71)	(198.26)
31.03.2020						
<u>Financial Assets</u>						
Trade Receivables	526.18	-	526.18	-	(1,005.18)	(479.00)

*The collateral includes deposits from trading members.

45 BUSINESS COMBINATION

1) On November 28, 2018, NSEIT Limited, a subsidiary ("Subsidiary") of NSE Investments Limited had entered into a Share Purchase and Shareholder's Agreement ("SPSHA") for acquisition of Aujas Cybersecurity Limited (formerly known as Aujas Networks Private Limited), ("Aujas") for a total consideration of ₹97.50 Crores (₹93.45 Crores for acquisition of 100% equity shareholding and ₹4.05 Crores by way of rights issue). In terms of the said SPSHA, on March 22, 2019, the Subsidiary acquired 95.39% of equity shareholding of Aujas for a consideration aggregating to ₹84.08 Crores. During the financial year 2019-20, the Subsidiary paid a sum of ₹ 2.88 Crores to the ex-promoters of Aujas for purchase of 37,59,833 equity shares of Aujas of Re 1 each and invested a sum of ₹ 1.54 Crores for 26,68,705 shares by way of subscription to the rights issue. Further during the current year, the Subsidiary paid a sum of ₹ 4.59 Crores to the ex-promoters of Aujas for purchase of 65,36,106 equity shares of Aujas of Re 1 and invested a sum of ₹ 1.12 Crores for 14,56,594 shares by way of subscription to the rights issue, taking the total investment in Aujas to ₹ 94.20 Crores. As on March 31, 2021, the Subsidiary holds 99.29% of equity shareholding of Aujas.

Notes to consolidated financial statements for the year ended March 31, 2021

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Calculation of Goodwill		
Consideration	-	84.08
Non Controlling Interest acquired	-	1.37
Less :- Net Identifiable Assets acquired	-	(29.62)
Goodwill as at	-	55.83
On account of restatement	-	2.70
Goodwill as at 31.03.2020 (recalculated) *	61.22	58.53
Reversal on reduction in Shareholding of Non-controlling parties	0.07	(0.26)
Adjustment towards equity investment and related share premium	(1.74)	(1.46)
Cost of Additional acquisition	5.70	4.42
Closing as at 31.03.2021	65.25	61.22
Movement in Non Controlling Interest		
	2020-21	2019-20
Opening as at balance sheet date	(0.73)	(1.37)
Share in losses and total equity	(0.04)	0.25
Reversal on reduction in Shareholding of Non-controlling parties	0.56	0.39
Closing as at 31.03.2021	(0.21)	(0.73)

* Goodwill for year ended March 31, 2019, was recalculated on the basis of restatement made by the Subsidiary Company Aujas Cybersecurity Limited

- 2) On September 30, 2020, NSE Academy Limited, a subsidiary (“Subsidiary”) of NSE Investments Limited, had entered into a Share Purchase and Shareholder’s Agreement (“SPSHA”) for acquisition of 100% Shares of TalentSprint Private Limited (“TalentSprint”), a Company engaged in business of providing skill development and training programs in a phased manner over a period of 3-4 years. Out of the above, on November 10, 2020, the Subsidiary acquired 70% of shareholding (with dilution effect of ESOP and Share Warrants) of TalentSprint for a cash consideration of ₹126.00 Crores. Based on Shareholding pattern of TalentSprint, the Company holds 74.54% of voting power. By virtue of this investment, TalentSprint has become a subsidiary of NSE Academy Limited .

Further, remaining number of shares shall be acquired over a period of next three years, for a minimum consideration of ₹54.00 Crores and may range upto ₹134.00 Crores, which shall be based on achievement of Revenue and EBIDTA targets TalentSprint.

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in Crores)

Details of Assets and Liabilities of the acquired company	Fair Value November 9, 2020
Tangible, Intangible Fixed Assets and ROU Assets	8.24
Financial Assets	11.36
Other Assets	1.40
Financial Liabilities	(14.51)
Other Liabilities & Provisions	(7.55)
Income tax and deferred tax assets (net)	1.41
Net Identifiable Assets acquired	0.35
Calculation of Goodwill	
	₹ in Crores
Consideration	126.00
Less :- Net Identifiable Assets acquired	0.26
Goodwill as at November 9, 2020	125.74

Notes to consolidated financial statements for the year ended March 31, 2021

- 3) On January 21, 2021, NSE Data & Analytics Limited, a subsidiary (Subsidiary) of NSE Investments Limited, had entered into a Share Purchase and Shareholder's Agreement ("SPSHA") for acquisition of 100% Shares of Cogencis Information Services Limited ("Cogencis"), a Company engaged in business of providing data terminal services. On January 21, 2021, the Subsidiary acquired 100% of shareholding of Cogencis for a cash consideration of ₹144.42 Crores. By virtue of this investment, Cogencis has become a subsidiary of NSE Data & Analytics Limited .

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in Crores)

Details of Assets and Liabilities of the acquired company	Fair Value January 21, 2021
Tangible, Intangible Fixed Assets and ROU Assets	3.76
Financial Assets	14.12
Other Assets	1.00
Financial Liabilities	(6.60)
Other Liabilities & Provisions	(11.54)
Income tax and deferred tax assets (net)	6.09
Net Identifiable Assets acquired	6.83
Calculation of Goodwill	₹ in Crores
Consideration	144.42
Less :- Net Identifiable Assets acquired	6.83
Goodwill as at January 21, 2021	137.59

- 4) During the previous year, NSE had acquired NOW platform together with the business and certain employees (effective October 1, 2019) from its subsidiary – NSE Data & Analytics Ltd for cash consideration amounting to ₹ 37 crores. This transaction had been accounted as a common control business combination as per the Appendix C "Business combination of entities under common control" under Ind AS 103 "Business Combinations".

46 Other events after the reporting period

Dividend:

The Board of Directors have recommended the payment of final dividend of ₹ NIL per fully paid equity shares (FV Re. 1 each) (March 31, 2020 : ₹11/- per fully paid equity share (FV Re.1 each)).

As indicated in note 34 (b), pursuant to the SEBI directives in the colocation matter, the Company is required to transfer all revenues emanating from the colocation facility to a separate bank account. Accordingly, as at March 31, 2021, the total amount in such restricted / earmarked investments and bank balances (including income accrued thereon) stood at ₹ 6,046.93 crores, which includes an amount of ₹ 2,758.07 (along with income accrued thereon) transferred/acrued to/in these accounts during the current year ended March 31, 2021. Further, as indicated in note 49, in view of recent member defaults and subsequent SEBI directives for augmenting the IPFT corpus, during the current year ended March 31, 2021, the Company has also contributed/provided ₹ 1,822.05 crores towards NSE IPFT. In view of the above, the Company does not have sufficient free cash at the current time to pay dividend after providing for operational and business needs. However, in accordance with the Company's dividend policy, the Company is committed to paying dividends to its shareholders and the Board of Directors would take an appropriate decision in this regard once the colocation amount becomes available.

Notes to consolidated financial statements for the year ended March 31, 2021

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
Parent Company								
National Stock Exchange of India Limited								
31st March, 2021	61.02%	7,099.88	53.91%	1,926.39	159.41%	10.30	54.10%	1,936.69
31st March, 2020	68.44%	5,901.17	88.16%	1,661.65	55.86%	6.72	87.96%	1,668.37
Subsidiaries (group's share)								
NSE Clearing Limited								
31st March, 2021	5.12%	595.98	-0.36%	(12.99)	-1.64%	(0.11)	-0.37%	(13.10)
31st March, 2020	6.07%	523.71	4.31%	81.28	-6.57%	(0.79)	4.24%	80.49
NSE Indices Limited								
31st March, 2021	2.94%	342.60	2.22%	79.42	0.19%	0.01	2.22%	79.43
31st March, 2020	3.58%	308.87	3.89%	73.35	-0.08%	(0.01)	3.87%	73.34
NSE Data & Analytics Limited								
31st March, 2021	2.30%	267.94	2.79%	99.86	-0.02%	(0.00)	2.79%	99.86
31st March, 2020	2.49%	214.32	3.48%	65.61	-0.25%	(0.03)	3.46%	65.58
NSE Infotech Services Limited								
31st March, 2021	0.02%	1.92	0.00%	0.09	0.00%	-	0.00%	0.09
31st March, 2020	0.04%	3.83	0.02%	0.44	0.00%	-	0.02%	0.44
NSEIT Limited								
31st March, 2021	1.96%	228.04	-1.97%	(70.46)	-13.65%	(0.88)	-1.99%	(71.34)
31st March, 2020	1.63%	140.26	-2.68%	(50.43)	-5.90%	(0.71)	-2.70%	(51.14)
NSE Academy Limited								
31st March, 2021	1.21%	141.09	0.08%	2.92	0.00%	-	0.08%	2.92
31st March, 2020	0.18%	15.31	0.43%	8.06	0.00%	-	0.42%	8.06
NSE Investment Limited								
31st March, 2021	19.74%	2,296.89	44.12%	1,576.77	0.00%	-	44.04%	1,576.77
31st March, 2020	10.41%	897.52	2.43%	45.87	0.00%	-	2.42%	45.87
NSE IFSC Limited								
31st March, 2021	0.35%	40.53	-0.96%	(34.16)	-14.76%	(0.95)	-0.98%	(35.11)
31st March, 2020	0.46%	39.52	-1.47%	(27.79)	26.52%	3.19	-1.30%	(24.60)
NSE IFSC Clearing Corporation Limited								
31st March, 2021	0.47%	55.21	-0.22%	(7.81)	-23.31%	(1.51)	-0.26%	(9.32)
31st March, 2020	0.65%	55.83	-0.29%	(5.54)	39.65%	4.77	-0.04%	(0.77)

Notes to consolidated financial statements for the year ended March 31, 2021

47 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III (contd.)

(₹ 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
NSE Foundation								
31st March, 2021	0.35%	40.57	-1.55%	(55.51)	0.00%	-	-1.55%	(55.51)
31st March, 2020	0.92%	79.66	-2.46%	(46.43)	0.00%	-	-2.45%	(46.43)
Aujas Cybersecurity Limited								
31st March, 2021	0.34%	39.33	0.04%	1.57	10.60%	0.69	0.06%	2.26
31st March, 2020	0.27%	22.86	-0.29%	(5.40)	2.08%	0.25	-0.27%	(5.15)
Cogencis Information Services Limited								
31st March, 2021	0.09%	10.03	0.09%	3.19	-4.96%	(0.32)	0.08%	2.87
31st March, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TalentSprint Private Limited								
31st March, 2021	0.06%	6.82	-0.03%	(0.95)	0.55%	0.04	-0.03%	(0.91)
31st March, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiaries								
NSE.IT (US) Inc.								
31st March, 2021	0.02%	2.44	0.12%	4.26	2.41%	0.16	0.12%	4.42
31st March, 2020	-0.07%	(6.36)	-0.02%	(0.47)	-4.22%	(0.51)	-0.05%	(0.98)
Non-Controlling Interest in all subsidiaries								
31st March, 2021	0.00%	0.02	-0.01%	(0.30)	0.26%	0.02	-0.01%	(0.28)
31st March, 2020	0.01%	0.73	-0.01%	(0.26)	0.08%	0.01	-0.01%	(0.25)
Associates								
(Investment as per equity method)								
National Securities Depository Limited								
31st March, 2021	1.90%	221.07	0.96%	34.17	-6.72%	(0.43)	0.94%	33.74
31st March, 2020	2.10%	180.75	0.95%	17.94	2.38%	0.29	0.96%	18.23
NSDL e-Governance Infrastructure Limited								
31st March, 2021	1.85%	215.19	0.80%	28.63	-8.30%	(0.54)	0.78%	28.09
31st March, 2020	2.76%	237.88	0.78%	14.63	-7.89%	(0.95)	0.72%	13.68

Notes to consolidated financial statements for the year ended March 31, 2021

47 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III (contd.)

(₹ 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
Computer Age Management Services Limited								
31st March, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2020	0.00%	-	2.90%	54.72	-1.66%	(0.20)	2.87%	54.52
Receivables Exchange Of India Limited								
31st March, 2021	0.06%	7.30	-0.04%	(1.57)	-0.06%	(0.00)	-0.04%	(1.57)
31st March, 2020	0.06%	5.13	-0.13%	(2.45)	0.00%	0.00	-0.13%	(2.45)
Indian Gas Exchange Limited								
31st March, 2021	0.16%	19.11	0.00%	(0.09)	-0.01%	(0.00)	0.00%	(0.09)
31st March, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Capital Quant Solutions Private Limited								
31st March, 2021	0.03%	2.99	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
31st March, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
BFSI Skill Sector Council of India								
31st March, 2021	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
31st March, 2020	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
Joint Venture (Investment as per equity method)								
Market Simplified India Limited								
31st March, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment arising out of consolidation								
31st March, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March, 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total								
31st March, 2021	100.00%	11,635.95	100.00%	3,573.42	100.00%	6.46	100.00%	3,579.90
31st March, 2020	100.00%	8,621.99	100.00%	1,884.78	100.00%	12.03	100.00%	1,896.81

Notes to consolidated financial statements for the year ended March 31, 2021

- 48** Based on the Group's current assessment, the impact of coronavirus (COVID-19) on its operations and the resultant financial performance except for its education and E-learning business is not likely to be significant. COVID-19 has partially affected test enrolment & registrations, post - graduate programmes, examination services of its education business and ITES-Assessment Services (On-Line Examination Services) operations of its E-learning business, which have been started in limited way post the unlock advisory issued by the Government. The Group has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial results. The impact assessment of COVID-19 may be different from that presently estimated and the Group will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.
- 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 registered Trust created for the purpose. The Investor Protection Fund Trust is managed by Trustees comprising of Public representative, investor association representative, Board Members and Senior officials of the Exchange. The NSE's Investor Protection Fund Trust (NSE IPFT), based on the recommendations of the Member and Core Settlement Guarantee Fund Committee compensates the investors to the extent of funds found insufficient in Defaulters' account to meet the admitted value of claim, subject to a maximum limit of ₹ 25 lakhs per investor per defaulter/expelled member in respect of claims arising on expulsion/declaration of default of members. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI has comprehensively reviewed the existing framework in consultation with Stock Exchanges. Basis such review, SEBI decided to augment IPF Corpus and assessed required IPF corpus to be ₹1,500 crores. The Company was directed to transfer the requisite amount to bring the Corpus to ₹ 1,500 crores. Accordingly, the Company has paid ₹ 1,701 crores to NSE IPFT during the year ended March 31, 2021. Additionally, the Company has also provided ₹ 121.05 crores in relation to the investors' claims related to defaulted members, which are yet to be processed by IPFT. This provision has been estimated by applying past historical experience of claims admitted and paid to the outstanding claims through the date of approval of these financial statements including the maximum amount that can be paid to each investor in accordance with bye laws of NSE IPFT. Accordingly, amount of ₹ 1,822.05 crores has been recognised as an exceptional expense in the statement of profit and loss for the year ended March 31, 2021 considering the materiality of the amount, nature and incidence of these transactions.
- 50** SEBI vide circular dated January 8, 2021 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 an inter-operable scenario. Accordingly, Core SGF contribution of ₹ 69.07 crores payable to India Clearing Corporation Limited (ICCL) has been reversed during the year ended March 31, 2021, and the same has been paid by NSE Clearing Ltd to ICCL.
- 51** The Indian Parliament has approved the Code on Social Security, 2020 impacting employee remuneration and welfare benefits. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Group will assess the financial impact, if any, of the Code when it becomes effective and will record necessary adjustments in the financial statements.
- 52** Provision for impairment of intangible assets under development pertains to Clearing & Settlement System of NCL due to discontinuation of the project amounting to ₹68.23 crores.

Notes to consolidated financial statements for the year ended March 31, 2021

53 In accordance with the relevant provisions of the Companies Act, 2013, the Group has long term contracts as of March 31, 2021 and March 31, 2020 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2021 and March 31, 2020.

54 For the year ended March 31, 2021 and March 31, 2020, 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.

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

Place : Mumbai

Date : May 11, 2021

Girish Chandra Chaturvedi

Director

[DIN: 00110996]

Yatrik Vin

Group CFO & Head Corporate Affairs

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Rohit Gupte

Company Secretary

Addendum to the notes to consolidated financial statements

for the year ended March 31, 2021

NOTE 55

This note is supplemental to and should be read in conjunction with, the accompanying notes forming integral part of the consolidated financial statements for the year ended March 31, 2021 approved by the Board of Directors at its meeting held on May 11, 2021.

Note 46 of the consolidated financial statements is referred to, where the Board of Directors did not propose a final dividend for FY 2020-21 due to the insufficient free cash after providing for business and operating needs. The Company had made an application to Hon'ble SAT for withdrawal of the colocation money held in the separate account, including discontinuing of further transfer of future revenues to the separate account as indicated in note 34 (b).

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, 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 amount of ₹ 420 crores into an interest bearing account with SEBI which has been remitted by the Company on June 17, 2021.

In view of the above, the Board of Directors at its meeting held on June 18, 2021 have recommended the payment of final dividend of ₹ 24.75 per fully paid equity share (FV ₹ 1 each) (Previous Year FY 2019-20 : Final Dividend of ₹ 11 per fully paid equity share (FV ₹ 1 each) and Interim Dividend of ₹ 9.80 per fully paid equity share (FV ₹ 1 each)). Accordingly, Note 46 of consolidated financial statements stands amended.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Place : Mumbai

Date : June 18, 2021

Girish Chandra Chaturvedi

Director

[DIN: 00110996]

Yatrik Vin

Group CFO & Head Corporate Affairs

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Rohit Gupte

Company Secretary

FORM AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/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	NSE Clearing Limited (Formerly known as National Securities Clearing Corporation Limited)	31-Aug-95	NSE Investments Limited (Formerly known as NSE Strategic Investments Limited) (Note 1)	31-Jan-13	29-Nov-16	02-Jun-00	NSE Data & Analytics Limited (Formerly known as Dotex International & Products Limited) (Note 1)	02-Aug-06	NSE Indices Limited (Formerly known as India Index Services & Products Limited) (Note 1)	29-Oct-99	NSEIT 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) (Note 5)	TalentSprint Private Limited (Note 6)	Cogencis Information Services Limited (Note 7)
The date since when subsidiary was acquired	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	21-Jan-21
Reporting date	45.00	825.99	165.00	9.00	264.96	308.38	308.38	359.46	346.18	188.19	10.00	10.00	10.00	5.34	90.00	0.05	26.93	0.93	5.13
Share Capital	659.16	2,075.99	-127.76	2,038.59	1.04	93.47	93.47	159.30	172.72	272.36	15.45	132.31	1.83	-	-	23.90	-	-	-
Reserves and Surplus	14,054.72	2,911.31	63.91	308.38	308.38	308.38	308.38	359.46	346.18	188.19	10.00	10.00	10.00	5.34	90.00	0.05	26.93	0.93	5.13
Total Assets	14,054.72	2,911.31	63.91	308.38	308.38	308.38	308.38	359.46	346.18	188.19	10.00	10.00	10.00	5.34	90.00	0.05	26.93	0.93	5.13
Total Liabilities	4,161.16	2,877.41	-	90.34	90.34	90.34	90.34	334.36	346.18	188.19	10.00	10.00	10.00	5.34	90.00	0.05	26.93	0.93	5.13
Investments	554.91	2,038.59	1.04	153.24	153.24	153.24	153.24	172.72	172.72	272.36	15.45	132.31	1.83	-	-	23.90	-	-	-
Turnover	325.37	2,033.98	-41.33	93.47	93.47	93.47	93.47	159.30	172.72	272.36	15.45	132.31	1.83	-	-	23.90	-	-	-
Profit before Taxation	114.82	237.89	-	23.04	23.04	23.04	23.04	38.80	346.18	188.19	10.00	10.00	10.00	5.34	90.00	0.05	26.93	0.93	5.13
Provision for Taxation	210.55	1,796.10	-41.33	70.43	70.43	70.43	70.43	120.50	172.72	272.36	15.45	132.31	1.83	-	-	23.90	-	-	-
Profit after Taxation	45.00	-	-	13.95	13.95	13.95	13.95	107.90	172.72	272.36	15.45	132.31	1.83	-	-	23.90	-	-	-
Proposed Dividend	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99.29%	74.54%	100%
% of shareholding																			

Notes:-

- NSE Data & Analytics Limited, NSE Indices Limited, NSEIT Ltd, Nse Infotech Services Ltd. 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, 2021 of 1 USD = ₹ 73.5047
- 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 Networks Private Limited is a subsidiary of NSEIT LTD.
- TalentSprint Private Limited is a subsidiary of NSE Academy Limited
- Cogencis Information Services Limited is a wholly owned subsidiary of NSE Data & Analytics Limited

Part “B” Associates/Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Crores)

Name of Associates/Joint Ventures	National Securities Depository Limited	Nsd 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
Latest audited Balance Sheet Date	March 31,2020	March 31,2021	March 31,2019	March 31,2020	March 31,2021	March 31,2021	NA	March 31,2021
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
<u>Share of Associate held by the group at the above mentioned reporting date</u>								
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
Amount of Investment in Associates	58.92	55.10	4.51	20.05	15.00	1.00	300.00	19.21
Extend of Holding %	24.00%	25.05%	30.00%	34.21%	30.00%	49.00%	17.00%	26.00%
Description of how there is significant influence	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 2	Note 1
Reason why the associate is not consolidated	NA	NA	NA	NA	NA	Note 3	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	203.22	167.41	4.01	8.09	7.24	2.75	NA	16.52
Profit/Loss for the year								
i. Considered in Consolidation	44.47	23.10	-	-	-1.57	-	-0.01	-0.09
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
Director
[DIN: 00110996]

K. Narasimha Murthy
Director
[DIN: 00023046]

Vikram Limaye
Managing Director & CEO
[DIN:00488534]

Place : Mumbai
Date : May 11, 2021

Yatrik Vin
Group CFO & Head Corporate Affairs

Rohit Gupte
Company Secretary



STANDALONE FINANCIAL STATEMENTS

[To be read in conjunction with the Addendum to
the notes to Standalone Financial Statement
(refer page no 439)]



Independent Auditor's Report

To the Members of

National Stock Exchange of India Limited

This report amends our earlier report dated May 11, 2021

Report on the audit of the standalone financial statements as of and for the year ended March 31, 2021

Opinion

1. We have audited the accompanying standalone financial statements of National Stock Exchange of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and the 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, 2021, and total comprehensive income (comprising of profit and other comprehensive income), 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 ("ICAI") 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 48 to the standalone financial statements which describes the amendment to

Note 36(i) to the standalone financial statements made subsequent to the approval of the standalone financial statements by the Board of Directors in their meeting held on May 11, 2021, consequent to the recommendation of the final dividend by the Board of Directors in their Board Meeting held on June 18, 2021, for the reasons disclosed in the aforesaid Note. Our audit procedures on the subsequent events insofar as it relates to the amendment to Note 36(i) are restricted solely to the aforesaid matter, and no effect has been given to any other events, if any, occurring after May 11, 2021 (being the date on which the financial statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date). Our opinion is not modified in respect of this matter.

5. We draw your attention to Note 31 (i) (a) to the standalone financial statements, relating to the contingent liability, that describes the Orders issued by the Securities and Exchange Board of India (SEBI) on April 30, 2019 wherein disgorgement/demand aggregating Rs. 687.47 crore (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the Company pursuant to an investigation conducted in relation to preferential access to tick by tick data at the Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters. SEBI has further directed the Company to undertake certain remedial measures, actions and imposed restrictions. The Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above orders. Adjudication hearing before SEBI is pending related to the Dark Fiber point to point connectivity and Governance and related matters. Adjudication hearing on preferential access to tick by tick data at the Company's Colocation facility has been completed and SEBI has levied penalty of Rs 1 crore. The Company has deposited Rs. 687.47 crore to SEBI in respect of these orders and continues to transfer revenues emanating from the colocation facility to a separate bank account, which are then invested along with accruals there on have been

shown under restricted/ earmarked investments and bank balances in the standalone financial statements. The Company has filed appeals to contest the aforesaid orders and adjudication order relating to preferential access to tick by tick data at the Company’s Colocation facility with the Hon’ble Securities Appellate Tribunal, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Company, no provision for any liability has been made towards the aforesaid demand from the Orders, including any monetary penalty from the pending as well as concluded Adjudication proceedings in the financial

statements. Our opinion is not modified in respect of this matter.

Key audit matters

6. 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></p> <p>[Refer Note 31 to the standalone financial statements]</p> <p>As of March 31, 2021, the Company has outstanding regulatory proceedings, inspections including inquiries with 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, applicability of service tax on certain services (uncertain tax positions), case filed by a competitor against the Company under Competition Appellate Tribunal and various other ongoing litigations, including claims by its members</p> <p>The Company has assessed the above pending litigations, regulatory matters and proceedings 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 related to legal, regulatory and tax matters included–</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters. • Obtaining details of litigations in respect of legal, direct and indirect tax matters and SEBI related regulatory proceedings, inspections, inquiries. • Reviewing orders and/or communications with regulatory authorities and Management responses and reports thereto. • 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. • Evaluating, along with the auditor’s experts, the status of the direct and indirect tax matters. • Examining expert’s legal advice/opinion obtained by the Company’s Management for evaluating certain legal, regulatory and tax matters. • Evaluating competence and capabilities of the Management’s experts. • Assessing the adequacy of disclosures related to these matters in the standalone financial statements. <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>

Key audit matter	How our audit addressed the key audit matter
<p><u>Appropriateness of provision for Contribution made to Investor Protection Fund Trust (IPFT)</u></p> <p>[Refer Note 43 to the standalone financial statements]</p> <p>During the year ended March 31, 2021, in order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI has comprehensively reviewed the existing framework in consultation with Stock Exchanges. Basis such review, SEBI decided to augment NSE IPF's Corpus and assessed such required IPF corpus to be Rs 1,500 crore. The Company was directed to transfer the requisite amount to bring the IPF Corpus to Rs. 1,500 crore.</p> <p>The Company has paid Rs. Rs 1,701 crore to NSE IPFT during the year ended March 31, 2021. Additionally, the Company has also provided Rs. 121.05 crores in relation to the investors' claims related to defaulted members, which are yet to be processed by NSE IPFT. This provision has been estimated by applying past historical experience of claims admitted and paid to the outstanding claims of investors through the date of approval of these financial statements, including the maximum amount that can be paid to each investor in accordance with bye laws of NSE IPFT.</p> <p>Accordingly, amount of Rs. 1,822.05 crore has been recognised as an exceptional expense in the statement of profit and loss for the year ended March 31, 2021 considering the materiality of the amount, nature and incidence of these transactions.</p> <p>This area is considered as a key audit matter, considering these transactions arising from regulatory development during the current period had a significant effect on the standalone financial statements. Additionally, evaluation of these matters requires Management judgement and estimation, to determine the measurement of provisions to be recognised, presentation of these transactions and related disclosures to be made in the standalone financial statements.</p>	<p>Our audit procedures related to contribution to IPFT included–</p> <ul style="list-style-type: none"> • Obtaining details of SEBI communication in respect of contribution to NSE IPFT. • Testing the underlying supporting documentation for contribution made to NSE IPFT. • Obtaining confirmation from NSE IPFT with respect to amount of contribution made and details relating to investors claims. • Evaluating the method used by Management in estimating the provision to be made in the standalone financial statements in respect of investors' claims yet to be processed and paid by NSE IPFT. • Assessing the assumptions used in estimating the above provision such as past experience, including their potential impact on the range of possible outcomes on the amount of provision to be recognised in the standalone financial statements. • Assessed the adequacy of presentation and disclosures made in respect of these matters in the standalone financial statements. <p>Based on our above procedures, we considered the estimate for provision of contribution to be made by the Company to NSE IPFT and related disclosures and presentation made in respect of these transactions in the financial statements to be reasonable.</p>

Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprise the information included in the annual report but does not include the 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 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 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

8. 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.
9. 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

10. 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.

11. 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 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 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.
12. 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.

13. 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.
14. 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

15. As required by the Companies (Auditor's Report) Order, 2016 ("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.
16. 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 Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the 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, 2021 taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 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, 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 has long-term contracts for which there were no material foreseeable losses. The Company did not have derivative contracts as at March 31, 2021 – Refer Note 46 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, 2021 – Refer Note 47 to the standalone financial statements;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
17. 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: 21105869AAAAA08977

Place: Mumbai

Date: May 11, 2021 except as to Note 48 to the standalone financial statements, which is as of June 18, 2021

Annexure A to Independent Auditor's Report

Referred to in paragraph 16 (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, 2021.

This report amends our earlier report dated May 11, 2021

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, 2021 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 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 on Audit of Internal Financial Controls Over Financial Reporting (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 control 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 control 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, 2021, 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 issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

UDIN: 21105869AAAAA08977

Place: Mumbai

Date: May 11, 2021 except as to Note 48 to the standalone financial statements, which is as of June 18, 2021

Annexure B to Independent Auditor's Report

Referred to in paragraph 15 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, 2021.

This report amends our earlier report dated May 11, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets 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, the fixed assets 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 immovable properties, as disclosed in Note 2 on Property Plant and Equipment's to the standalone financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable o the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made. The Company has not given any loan, guarantee or security.
- v. The Company has not accepted any deposits from the public within the meaning of 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 service 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 service 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 dues of duty of customs, duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, wealth tax, value added tax and service tax as at March 31, 2021 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	1995-1996	0.08	High Court, Mumbai
			1999-2000	0.34	High Court, Mumbai
			2007-2008	0.002	Income Tax Appellate Tribunal, Mumbai
			2014-2015	84.13*	Income Tax Appellate Tribunal, Mumbai and Commissioner of Income Tax (Appeal)
			2015-2016	40.92*	Commissioner of Income Tax (Appeal)
			2016-2017	43.66*	Commissioner of Income Tax (Appeal)

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
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 2008-2009	54.05	Appeal pending to be filed with Customs, Central Excise and Service Tax Appellate Tribunal, Mumbai
			2008-09 to 2011-12	21.35	Customs, Central Excise and Service Tax Appellate Tribunal, Mumbai
			April 2012 to June 2012	0.57	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

* ₹ 15.15 crore, ₹ 8.18 crore and ₹ 8.73 crore paid under protest for the F.Y. 2014-15, F.Y. 2015-16 and for F.Y. 2016-17, respectively.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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. Also refer paragraph 17 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are 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 (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

UDIN: 21105869AAAAO8977

Place: Mumbai

Date: May 11, 2021 except as to Note 48 to the standalone financial statements, which is as of June 18, 2021

Balance Sheet as at March 31, 2021

(₹ in Crores)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	635.81	444.28
Right-of-use-assets	2(b)	93.60	98.60
Capital work-in-progress	2	7.84	33.19
Other intangible assets	3	43.42	58.57
Intangible assets under development	3	30.83	13.63
Investment in subsidiaries and associates	4	1,056.67	1,016.67
Financial assets			
- Investments	4	1,835.10	2,068.98
- Other financial assets			
Non-current bank balances	5 (a)	577.43	35.19
Others	5 (b)	15.76	43.82
Income tax assets (net)	18	374.34	374.20
Other non-current assets	6	717.78	722.55
Total non-current assets		5,388.58	4,909.68
Current assets			
Financial assets			
- Investments	7	4,450.00	2,704.05
- Trade Receivables	8	834.82	550.92
- Cash and cash equivalents	9	39.42	68.85
- Bank balances other than cash and cash equivalents	10	891.03	206.17
- Other financial assets	5(b)	341.84	533.24
Other current assets	6	146.51	147.73
Total current assets		6,703.62	4,210.96
TOTAL ASSETS		12,092.20	9,120.64
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11a	49.50	49.50
Other equity	11b	8,119.67	6,866.58
TOTAL EQUITY		8,169.17	6,916.08

Balance Sheet (contd...)

(₹ in Crores)

Particulars	Notes	As at 31.03.2021	As at 31.03.2020
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	35	29.14	31.61
Other financial liabilities	13	12.96	-
Provisions	15	14.11	22.34
Deferred tax liabilities (net)	16(d)	7.22	21.50
Contract Liabilities	14	21.23	16.54
Other non-current liabilities	19	5.41	5.41
Total non-current liabilities		90.07	97.40
Current liabilities			
Financial liabilities			
Lease Liabilities	35	4.33	4.08
Deposits	20	1,047.51	1,033.12
Trade payables	12		
Total Outstanding dues of micro enterprises and small enterprises		1.14	0.83
Total Outstanding dues of creditors other than micro enterprises and small enterprises		184.50	125.38
Other financial liabilities	13	171.92	252.89
		1,409.40	1,416.30
Contract Liabilities	14	1.08	0.31
Provisions	15	67.59	64.19
Income tax liabilities (net)	17	140.09	148.51
Other current liabilities	19	2,214.80	477.85
Total current liabilities		3,832.96	2,107.16
TOTAL LIABILITIES		3,923.03	2,204.56
TOTAL EQUITY AND LIABILITIES		12,092.20	9,120.64
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

Director

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 11, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2021	For the year ended 31.03.2020
INCOME			
Revenue from operations	21	4,848.29	2,832.43
Other income	22	617.76	397.46
Total income		5,466.05	3,229.89
EXPENSES			
Employee benefits expense	23	212.14	206.19
Clearing & settlement charges		284.94	178.66
Depreciation and amortisation expense	2, 3, 35	166.15	132.40
Other expenses	24	767.31	595.88
Total expenses		1,430.54	1,113.13
Profit before Exceptional Items, Contribution to Core SGF and Tax		4,035.51	2,116.76
Less: Exceptional items			
Contribution to Investor Protection Fund Trust (IPFT)	43	(1,822.05)	-
Profit after Exceptional Items, Before Contribution to Core SGF and Tax		2,213.46	2,116.76
(Reversal) /Contribution to Core Settlement Guarantee Fund (Core SGF)	13.2	(62.08)	62.08
Profit before tax		2,275.54	2,054.68
Less: Income tax expense			
Current tax	16(b)	504.62	510.00
Deferred tax	16(b)	(16.36)	(15.78)
Total tax expenses		488.26	494.22
Profit for the year (A)		1,787.28	1,560.46
Other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	7.41	29.26
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	(1.87)	(9.12)
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	0.46	(6.04)
Changes in fair value of FVOCI equity instruments	11b	4.52	(12.15)
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	(0.12)	1.52
Changes in fair value of FVOCI equity instruments	11b	(0.09)	3.24
Total other comprehensive income / (loss) for the year, net of taxes (B)		10.31	6.71
Total comprehensive income /(loss) for the year (A)+(B)		1,797.59	1,567.17
Earnings per equity share (Face value of ₹ 1 each)			
- Basic and Diluted (₹)	25	36.11	31.52
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

Director

[DIN: 00110996]

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 11, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2021

(A) Equity share capital

(₹ in Crores)

Balance as at 01.04.2019	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2020	49.50
Balance as at 01.04.2020	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2021	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	Other reserves		FVOCI equity instruments	FVOCI debt instruments		
Balance at the April 1, 2019	35.50	6,236.11	11.50	6,283.11	62.51	(11.68)	50.83	6,333.94
Profit for the year	-	1,560.46	-	1,560.46	-	-	-	1,560.46
Other Comprehensive Income	-	(4.52)	-	(4.52)	(8.91)	20.14	11.23	6.71
Transaction with owners in their capacity as owners								
Dividend paid (including dividend distribution tax)	-	(1,034.53)	-	(1,034.53)	-	-	-	(1,034.53)
Balance as at March 31, 2020	35.50	6,757.52	11.50	6,804.52	53.60	8.46	62.06	6,866.58
Balance at the April 1, 2020	35.50	6,757.52	11.50	6,804.52	53.60	8.46	62.06	6,866.58
Profit for the year	-	1,787.28	-	1,787.28	-	-	-	1,787.28
Other Comprehensive Income	-	0.34	-	0.34	4.43	5.54	9.97	10.31
Transaction with owners in their capacity as owners								
Dividend paid	-	(544.50)	-	(544.50)	-	-	-	(544.50)
Balance as at March 31, 2021	35.50	8,000.64	11.50	8,047.64	58.03	14.00	72.03	8,119.67

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 : Mumbai

Date : May 11, 2021

Girish Chandra Chaturvedi

Director

[DIN: 00110996]

Yatrik Vin

Group CFO & Head Corporate Affairs

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Rohit Gupta

Company Secretary

Statement of Cash Flows for the year ended March 31, 2021

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	2,275.54	2,054.68
Adjustments for		
Depreciation and amortisation expense	166.15	132.40
Interest on lease liabilities	3.84	4.03
Provision for doubtful debts	3.61	9.24
Bad debts written off	4.37	-
Interest income from financial assets at amortised cost	(62.77)	(122.91)
Interest income from financial assets designated at fair value through other comprehensive income	(36.12)	(40.22)
Income on Investments	(74.31)	(60.21)
Dividend income	(206.99)	(137.97)
Rent income	(6.07)	(5.51)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	(137.08)	37.52
Net gain on sale of financial assets measured at fair value through other comprehensive income	-	(2.06)
Net gain on sale of financial assets measured at amortised cost	(9.73)	(23.09)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	(147.21)	(91.91)
Intangible assets under development written off	-	34.11
Net loss on sale of property, plant and equipment	-	5.93
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(291.89)	(191.56)
Increase/(Decrease) in trade payables	59.43	45.88
(Increase)/Decrease in other financial assets	(3.22)	9.20
(Increase)/Decrease in other assets	4.94	(750.13)
Increase/(Decrease) in other financial liabilities	(32.27)	82.55
Increase/(Decrease) in contract liabilities	5.46	3.83
Increase/(Decrease) in provisions	(4.37)	9.22
(Refund) /Proceeds of deposits from trading members / applicants	14.40	(59.56)
Increase/(Decrease) in other liabilities	1,736.95	92.73
CASH GENERATED FROM OPERATIONS	3,262.66	1,036.19
Income taxes paid	(513.18)	(461.02)
NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)	2,749.48	575.16

Statement of Cash Flows (contd...)

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment & intangibles	(321.33)	(247.52)
Proceeds from rent income	6.07	5.51
Proceeds from property, plant and equipment	0.37	0.74
Payment for investment in a subsidiary	(40.00)	(35.00)
Proceeds from sale of investments	22,591.80	17,584.20
Payment for purchase of investments	(23,578.54)	(17,618.88)
Proceeds from fixed deposits with banks	122.37	775.85
Proceeds from fixed deposits with financial institutions	265.00	178.87
Payment for investment in fixed deposits with banks	(1,381.03)	(180.41)
Payment for investment in deposits with financial institutions	(265.00)	(350.60)
Interest received	168.79	244.17
Dividend received	206.99	137.97
NET CASH INFLOWS / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)	(2,224.51)	494.90
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including dividend distribution tax)	(544.50)	(1,034.53)
Payment of Lease liability	(6.06)	(2.04)
Interest on lease liabilities	(3.84)	(4.03)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)	(554.40)	(1,040.60)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(29.43)	29.47
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	68.85	39.38
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	39.42	68.85
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(29.43)	29.47
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>		
Cash and cash equivalents comprise of the following		
Cash and cash equivalents	39.42	68.85
Balances per statement of cash flows	39.42	68.85

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

Director

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

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Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 11, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Notes to the financial statements for the year ended March 31, 2021

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

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Companies Act 2013 (the Act).

The financial statements for the year ended March 31, 2021 has been approved by the Board of directors of the Company in their meeting held on May 11, 2021.

(i) 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.

(ii) Adoption of new Accounting Standards

(i) Ind AS 1 and Ind AS 8

Amendments have been made to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Ind AS and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information.

Notes to the financial statements for the year ended March 31, 2021

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

(ii) *Ind AS 103*

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

The amendments will likely result in more acquisitions being accounted for as asset acquisitions.

(iii) *Ind AS 107, Ind AS 109 and Ind AS 37*

The amendments made to Ind AS 107 Financial Instruments: Disclosures and Ind AS 109 Financial Instruments provide certain reliefs in relation to interest rate benchmark reforms.

The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

(iv) *Ind AS 116*

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Amendment to Ind AS 16 Leases provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

The amendments listed above 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 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 (INR), 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

Notes to the financial statements for the year ended March 31, 2021

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) 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 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 goods or services to the customer. The sources of revenue and Company's accounting policy are as follows:

- (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 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) 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 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.

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 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) 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 financial statements. 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, associates and interest in joint arrangements where it is not probable that the differences will reverse in the

Notes to the financial statements for the year ended March 31, 2021

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.

Till March 31, 2020, dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity. The benefit of dividend distribution tax paid by the subsidiaries for which the set off has been availed by the Parent company has been recognised in equity.

(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.

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.

Notes to the financial statements for the year ended March 31, 2021

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 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, 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(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
- 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) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at

Notes to the financial statements for the year ended March 31, 2021

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 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 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, associates and joint venture)

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 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, associates and joint venture)

Investments in subsidiaries, associates and joint venture 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.

(iii) 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.

Notes to the financial statements for the year ended March 31, 2021

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.

(i) *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.

(v) *Income recognition*

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

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 Company, and the amount of the dividend can be reliably measured.

(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 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.

(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

Notes to the financial statements for the year ended March 31, 2021

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	10 years
Computer systems office automation	3 years
Computer systems – others	4 years
Telecommunication systems	4 years
Trading systems	4 years

The property, plant and equipment including land acquired under leases is depreciated over the asset's useful life or the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The useful lives for computer systems office automation, computer systems – others, computer software, 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.

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.

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

Notes to the financial statements for the year ended March 31, 2021

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.

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 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 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.

Notes to the financial statements for the year ended March 31, 2021

(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 and provident fund;
- (b) Defined contribution plans such as superannuation.

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.

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.

Provident fund

The Company has established 'National Stock Exchange of India Limited Employee Provident Fund Trust' to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary, respectively. Such contribution to the provident fund for all employees, are charged to the profit and loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is provided for by the Company.

(iv) *Defined contribution plans*

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.

Notes to the financial statements for the year ended March 31, 2021

(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 including dividend distribution tax, 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 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) (formerly known as National Securities Clearing Corporation Limited), Indian Clearing Corporation Limited (ICCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) which clears and settles the trades of the exchange.

Notes to the financial statements for the year ended March 31, 2021

(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) Reclassification

Previous year figures have been reclassified / regrouped wherever necessary.

(y) 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 judgements are:

Estimation of fair value of unlisted securities Note 28

Estimation of useful life of intangible assets Note 3

Estimation of defined benefit obligation Note 26

Estimation of contingent liabilities refer Note 31

Estimation of provision for claims under IPFT Note 43

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.

(z) Recently issued Accounting Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to Companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules, 2015 are:

- Disclosure of shareholding of promoters in specified format.
- Disclosure of current maturities of Long term borrowings under the head short term borrowings
- Disclosure of ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format.
- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Financial Ratios to be disclosed along with explanation with respect to items included in numerator and denominator.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The Company will evaluate the above and give effect as required by law.

Notes to the financial statements for the year ended March 31, 2021

Note 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Owned building*	Office equipments	Electrical equipment & installations	Furniture & fixtures	Trading systems	Computer systems automation	Computer systems others	Tele-communication systems	Total	Capital work in progress
Year ended March 31, 2020											
Gross carrying amount											
Opening as at 01.04.2019	32.20	183.60	90.71	112.06	59.90	170.47	24.70	209.32	187.16	1,070.12	3.22
Additions	-	-	5.55	1.02	5.11	-	9.10	73.02	37.95	131.75	161.72
Disposals	-	(0.21)	(5.09)	(0.09)	(0.94)	-	(0.02)	(0.28)	-	(6.63)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(131.75)
Closing gross carrying amount	32.20	183.39	91.17	112.99	64.07	170.47	33.78	282.06	225.11	1,195.24	33.19
Accumulated depreciation											
Opening as at 01.04.2019	-	42.83	69.55	55.07	36.22	159.24	20.05	158.96	112.68	654.60	-
Depreciation charge during the year	-	3.07	8.64	7.82	4.82	5.74	4.08	32.75	35.85	102.77	-
Disposals	-	(0.06)	(5.09)	(0.09)	(0.94)	-	(0.02)	(0.22)	-	(6.41)	-
Closing accumulated depreciation	-	45.84	73.10	62.80	40.10	164.98	24.11	191.49	148.53	750.96	-
Net carrying amount as at 31.03.2020	32.20	137.55	18.07	50.19	23.97	5.49	9.67	90.57	76.58	444.28	33.19
Year ended March 31, 2021											
Gross carrying amount											
Opening as at 01.04.2020	32.20	183.39	91.17	112.99	64.07	170.47	33.78	282.06	225.11	1,195.24	33.19
Additions	-	-	17.73	3.00	5.68	19.17	4.58	220.95	57.67	328.78	303.43
Disposals	-	-	(0.87)	-	(0.00)	(77.78)	(5.10)	(0.91)	-	(84.66)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(328.78)
Closing gross carrying amount	32.20	183.39	108.03	115.99	69.75	111.86	33.26	502.10	282.78	1,439.36	7.84
Accumulated depreciation											
Opening as at 01.04.2020	-	45.84	73.10	62.80	40.10	164.98	24.11	191.49	148.53	750.96	-
Depreciation charge during the year	-	3.07	9.34	7.22	5.46	5.21	5.56	62.31	38.73	136.88	-
Disposals	-	-	(0.87)	-	(0.00)	(77.78)	(5.07)	(0.57)	-	(84.29)	-
Closing accumulated depreciation	-	48.91	81.57	70.02	45.56	92.41	24.60	253.23	187.26	803.55	-
Net carrying amount as at 31.03.2021	32.20	134.48	26.46	45.97	24.19	19.45	8.66	248.87	95.52	635.81	7.84

Notes to the financial statements for the year ended March 31, 2021

Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd.)

* Includes investment property for which cost and fair value details are as follows:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Net Carrying amount of Investment property	6.67	6.84
Fair Value of investment property [Refer note 2(a)(2)]	93.40	93.40
Depreciation	0.17	0.17
Rental Income	6.07	5.51
Direct operating expenses	(0.58)	(0.58)

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, 2021 and as at March 31, 2020, 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.

Note 2(b): Right-of-Use Asset

(₹ in Crores)

Particulars	Leasehold Land	Building	Total
Year ended March 31, 2020			
Gross carrying amount			
Opening as at 01.04.2019	107.61	26.33	133.94
Additions	-	-	-
Disposals	-	-	-
Transfers	-	-	-
Closing gross carrying amount	107.61	26.33	133.94
Accumulated depreciation			
Opening as at 01.04.2019	30.30	-	30.30
Depreciation charge during the year	1.30	3.74	5.04
Disposals	-	-	-
Closing accumulated depreciation	31.60	3.74	35.34
Net carrying amount as at 31.03.2020	76.01	22.59	98.60
Year ended March 31, 2021			
Gross carrying amount			
Opening as at 01.04.2020	107.61	26.33	133.94
Additions	-	-	-
Disposals	-	-	-
Transfers	-	-	-
Closing gross carrying amount	107.61	26.33	133.94
Accumulated depreciation			
Opening as at 01.04.2020	31.60	3.74	35.34
Depreciation charge during the year	1.30	3.70	5.00
Disposals	-	-	-
Closing accumulated depreciation	32.90	7.44	40.34
Net carrying amount as at 31.03.2021	74.71	18.89	93.60

Notes to the financial statements for the year ended March 31, 2021

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer software	Computer software under development	Total
Gross carrying amount			
Opening as at 01.04.2019	270.69	22.55	293.24
Additions	27.11	50.93	78.04
Deductions / written off (Refer note 24)	(7.35)	(32.74)	(40.09)
Transfers	-	(27.11)	(27.11)
Closing gross carrying amount	290.45	13.63	304.08
Accumulated amortisation			
Opening as at 01.04.2019	208.20	-	208.20
Amortisation for the year	24.59	-	24.59
Deductions	(0.91)	-	(0.91)
Closing accumulated amortisation	231.88	-	231.88
Net carrying amount as at 31.03.2020	58.57	13.63	72.20
Gross carrying amount			
Opening as at 01.04.2020	290.45	13.63	304.08
Additions	9.12	26.32	35.44
Deductions / written off	-	-	-
Transfers	-	(9.12)	(9.12)
Closing gross carrying amount	299.57	30.83	330.40
Accumulated amortisation			
Opening as at 01.04.2020	231.88	-	231.88
Amortisation for the year	24.27	-	24.27
Deductions	-	-	-
Closing accumulated amortisation	256.15	-	256.15
Net carrying amount as at 31.03.2021	43.42	30.83	74.25

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 2021, the net carrying amount of this software was ₹ 43.42 crores (31 March 2020: ₹ 58.57 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 actions.

Notes to the financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
I Investment in equity instruments (fully paid up)				
A) Unquoted equity instruments at cost				
(i) In subsidiary companies				
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	4,50,00,000	5.64	4,50,00,000	5.64
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	41,30,21,703	413.14	41,30,21,703	413.14
NSE IFSC Limited (Refer note 4.3)	16,50,00,000	165.00	12,50,00,000	125.00
NSE Foundation (Section 8 Company) (Refer note 4.1)	38,000	-	38,000	-
(ii) In associate companies				
National Securities Depository Limited	96,00,000	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
Total equity instruments		643.70		603.70
II Investments in preference shares (fully paid up)				
A) Unquoted preference shares at cost				
In subsidiary company				
6% Non-Cumulative Compulsorily Convertible Preference Shares of NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	41,29,71,703	412.97	41,29,71,703	412.97
Total preference shares		412.97		412.97
Total Investment in subsidiaries and associates		1,056.67		1,016.67
III Investment in equity instruments (fully paid up)				
A) Quoted equity instruments at FVOCI				
In Companies other than subsidiaries				
Multi Commodity Exchange of India Limited	5,000	0.76	5,000	0.56
Total quoted equity instruments at FVOCI		0.76		0.56
B) Unquoted equity instruments				
In Companies at FVOCI				
National Commodity & Derivative Exchange Limited	76,01,377	126.19	76,01,377	121.87
Total unquoted equity instruments		126.19		121.87
IV Investment in exchange traded funds				
Quoted exchange traded funds at FVPL				
CPSE ETF	-	-	1,68,03,095	26.99
SBI-ETF Nifty 50	-	-	45,71,000	40.86

Notes to the financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
ICICI Prudential Nifty iWIN ETF	-	-	45,15,000	41.04
Nippon India ETF Bank Bees (formerly known as R Shares Bank Bees)	-	-	15,62,500	30.40
Nippon India ETF Nifty Bees (formerly known as R Shares Nifty Bees)	-	-	89,33,580	82.14
Total exchange traded funds		-		221.43
V Investment in bonds				
Quoted bonds at amortised cost				
(i) Tax free bonds				
7.19% Indian Railway Finance Corporation Limited	-	-	200	21.45
7.19% Indian Railway Finance Corporation Limited - Colocation (Refer note 4.2)	450	48.17	250	26.73
8.46% Rural Electrification Corporation Limited - Colocation (Refer note 4.2)	350	41.48	-	-
8.46% Rural Electrification Corporation Limited	-	-	350	42.00
8.63% National Housing Bank - Colocation (Refer note 4.2)	80,000	46.45		
8.63% National Housing Bank	-	-	80,000	47.02
7.64% National Bank For Agricultural & Rural Development	-	-	-	-
8.67% National Hydroelectric Power Corporation Limited - Colocation (Refer note 4.2)	3,00,000	38.14	-	-
8.67% National Hydroelectric Power Corporation Limited	-	-	3,00,000	38.44
6.89% National Housing Bank	-	-	150	15.22
6.89% National Housing Bank - Colocation (Refer note 4.2)	350	35.47	200	20.45
8.46% National Housing Bank - Series V - Colocation (Refer note 4.2)	300	33.39	-	-
8.46% National Housing Bank - Series V	-	-	300	33.59
8.67% Power Finance Corporation Limited	-	-	50,000	6.15
8.67% Power Finance Corporation Limited - Colocation (Refer note 4.2)	2,50,000	30.49	2,00,000	24.58
7.35% National Highways Authority Of India	-	-	1,00,000	11.90
7.35% National Highways Authority of India - Colocation (Refer note 4.2)	2,50,000	29.54	1,50,000	17.85
6.86% India Infrastructure Finance Company Limited - Colocation (Refer note 4.2)	2,50,000	24.87	2,50,000	24.79
6.86% India Infrastructure Finance Company Limited	-	-	-	-
7.51% Housing & Urban Development Corporation Limited - Colocation (Refer note 4.2)	2,50,000	25.76	-	-
7.51% Housing & Urban Development Corporation Limited	-	-	2,50,000	25.83
8.63% NTPC Limited			50	5.80
8.63% NTPC Limited - Colocation (Refer note 4.2)	200	22.89	150	17.36
8.46% India Infrastructure Finance Company Limited	-	-	200	22.58
8.46% India Infrastructure Finance Company Limited - Colocation (Refer note 4.2)	200	22.43	-	-

Notes to the financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.20% Housing & Urban Development Corporation Limited	-	-	2,00,000	22.12
8.20% Housing & Urban Development Corporation Limited - Colocation (Refer note 4.2)	2,00,000	21.87	-	-
7.39% Housing & Urban Development Corporation Limited - Colocation (Refer note 4.2)	2,00,000	21.69	-	-
7.39% Housing & Urban Development Corporation Limited	-	-	2,00,000	21.78
7.15% NTPC Limited	-	-	200	21.07
7.15% NTPC Limited - Colocation (Refer note 4.2)	200	21.03	-	-
7.35% Indian Railway Finance Corporation Ltd 2031 - Colocation (Refer note 4.2)	1,50,000	17.16	1,50,000	17.29
8.48% India Infrastructure Finance Company Limited	-	-	150	16.85
8.48% India Infrastructure Finance Company Limited - Colocation (Refer note 4.2)	150	16.74	-	-
8.35% Indian Railway Finance Corporation Limited	-	-	150	16.21
8.35% Indian Railway Finance Corporation Limited - Colocation (Refer note 4.2)	150	16.21	-	-
7.18 % Indian Railway Finance Corporation Ltd - Tranche 1 - Series 1	-	-	1,50,000	15.50
7.18 % Indian Railway Finance Corporation Ltd - Tranche 1 - Series 1 - Colocation (Refer note 4.2)	1,50,000	15.50	-	-
8.41% NTPC Limited	-	-	1,29,162	14.11
8.41% NTPC Limited - Colocation (Refer note 4.2)	1,29,162	13.88	-	-
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1	-	-	35,436	3.76
8.66% India Infrastructure Finance Company Limited - Colocation (Refer note 4.2)	1,00,000	11.63	1,00,000	11.70
8.40% Indian Railway Finance Corporation Limited	-	-	1,00,000	11.63
8.40% Indian Railway Finance Corporation Limited - Colocation (Refer note 4.2)	1,00,000	11.56	-	-
7.27% Power Finance Corporation Limited	-	-	1,00,000	11.05
7.27% Power Finance Corporation Limited - Colocation (Refer note 4.2)	1,00,000	11.00	-	-
7.19% Housing & Urban Development Corporation Limited	-	-	1,00,000	10.07
7.19% Housing & Urban Development Corporation Limited - Colocation (Refer note 4.2)	1,00,000	10.07	-	-
7.34% Indian Railway Finance Corporation Limited	-	-	1,00,000	10.47
7.34% Indian Railway Finance Corporation Limited - Colocation (Refer note 4.2)	1,00,000	10.45	-	-
7.21% Rural Electrification Corporation Limited	-	-	100	10.37
7.21% Rural Electrification Corporation Limited - Colocation (Refer note 4.2)	100	10.33	-	-
7.07% Housing & Urban Development Corporation Limited	-	-	100	10.35

Notes to the financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
7.07% Housing & Urban Development Corporation Limited - Colocation (Refer note 4.2)	100	10.35	-	-
7.19% India Infrastructure Finance Company Limited	-	-	1,00,000	10.53
7.19% India Infrastructure Finance Company Limited - Colocation (Refer note 4.2)	1,00,000	10.31	-	-
7% Housing & Urban Development Corporation Limited	-	-	100	10.34
7% Housing & Urban Development Corporation Limited - Colocation (Refer note 4.2)	100	10.34	-	-
7.36% India Infrastructure Finance Company Limited	-	-	1,00,000	10.29
7.36% India Infrastructure Finance Company Limited - Colocation (Refer note 4.2)	1,00,000	10.27	-	-
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1	-	-	61,238	6.67
8.68% National Housing Bank	-	-	10,000	5.83
8.68% National Housing Bank - Colocation (Refer note 4.2)	10,000	5.75	-	-
8.66% NTPC Limited	-	-	50,000	6.11
8.66% NTPC Limited - Colocation (Refer note 4.2)	50,000	6.06	-	-
8.46% Power Finance Corporation Limited	-	-	50	6.00
8.46% Power Finance Corporation Limited - Colocation (Refer note 4.2)	50	5.92	-	-
8.54% Power Finance Corporation Limited	-	-	50,000	5.82
8.54% Power Finance Corporation Limited - Colocation (Refer note 4.2)	50,000	5.76	-	-
7.40% India Infrastructure Finance Company Limited	-	-	50,000	5.44
7.40% India Infrastructure Finance Company Limited - Colocation (Refer note 4.2)	50,000	5.42	-	-
8.09% Power Finance Corporation Limited - Series 80 A	-	-	500	5.28
8.20% National Highways Authority of India - Tranche 1 - Series 1	-	-	37,086	3.86
8.00 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1	-	-	32,626	3.38
Total tax free bonds		678.38		705.62
(ii) Taxable bonds				
8.39% Power Finance Corporation Limited	-	-	250	24.94
8.39% Power Finance Corporation Limited - Colocation (Refer note 4.2)	250	24.96	-	-
8.82% Rural Electrification Corporation Limited - Sr 114	-	-	150	16.33
8.82% Rural Electrification Corporation Limited - Sr 114 - Colocation (Refer note 4.2)	150	16.30	-	-
8.70% Power Grid Corporation of India Limited	-	-	50	5.42
8.70% Power Grid Corporation of India Limited - Colocation (Refer note 4.2)	50	5.38	-	-
8.40% Power Grid Corporation of India Limited	-	-	50	5.33

Notes to the financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
8.40% Power Grid Corporation of India Limited - Colocation (Refer note 4.2)	50	5.33	-	-
8.15% National Bank for Agriculture & Rural Development - Colocation (Refer note 4.2)	450	47.05	450	47.36
8.24% National Bank for Agriculture & Rural Development - Colocation (Refer note 4.2)	400	42.13	400	42.38
7.33% Indian Railway Finance Corporation Ltd - Colocation (Refer note 4.2)	650	71.44	-	-
7.27% Indian Railway Finance Corporation Limited - Colocation (Refer note 4.2)	500	54.27	-	-
7.33% Indian Railway Finance Corporation Limited - Colocation (Refer note 4.2)	500	54.49	-	-
7.27% Indian Railway Finance Corporation Limited - Colocation (Refer note 4.2)	500	56.24	-	-
8.22% National Bank For Agriculture And Rural Development - Colocation (Refer note 4.2)	950	107.53	-	-
Total taxable bonds		485.12		141.76
Total bonds		1,163.50		847.38
VI Investment in debentures				
Quoted at amortised cost				
8.545% HDB Financial Services Limited - Colocation (Refer note 4.2)	-	-	250.00	26.96
8.545% HDB Financial Services Limited	-	-	250.00	26.92
8.00% HDB Financial Services Limited	-	-	500.00	52.76
0% Sundaram Finance Limited - Colocation (Refer note 4.2)	-	-	500.00	42.67
7.50% Sundaram Finance Limited - Colocation (Refer note 4.2)	-	-	250.00	25.75
7.49% HDB Financial Services Limited - Colocation (Refer note 4.2)	-	-	500.00	51.51
Total debentures		-		226.57
VII Investment in government securities				
Quoted investment in government securities at FVOCI				
7.61% Government of India		-		163.77
7.61% Government of India - Colocation (Refer note 4.2)		166.60		-
8.97% Government of India		-		149.10
8.97% Government of India - Colocation (Refer note 4.2)		151.49		-
8.60% Government of India		-		81.02
8.60% Government of India - Colocation (Refer note 4.2)		80.71		-
6.97% Government of India		-		62.23
6.97% Government of India - Colocation (Refer note 4.2)		62.91		-
6.79% Government of India		-		25.76

Notes to the financial statements for the year ended March 31, 2021

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
6.79% Government of India - Colocation (Refer note 4.2)		25.99		-
8.67% Maharashtra SDL		-		5.55
8.67% Maharashtra SDL - Colocation (Refer note 4.2)		5.54		-
5.22% Government of India - Colocation (Refer note 4.2)		25.05		-
6.18% Government of India - Colocation (Refer note 4.2)		26.36		-
Total government securities		544.65		487.43
VIII Mutual Funds				
Quoted investments in mutual funds at FVPL				
Balanced Funds				
Aditya Birla Sunlife Balanced 95 Fund - Direct - Growth	-	-	3,40,696	20.98
L&T Hybrid Equity - Direct - Growth	-	-	1,01,70,609	23.41
ICICI Prudential Equity & Debt Fund - Direct - Growth	-	-	20,95,785	23.93
TATA Hybrid Equity - Direct - Growth	-	-	12,87,709	23.58
SBI Equity Hybrid Fund - Direct - Growth	-	-	20,18,493	25.52
HDFC Balance Advantage Fund - Direct - Growth	-	-	14,89,455	23.41
HDFC Hybrid Equity Fund - Direct - Growth	-	-	51,50,624	22.91
		-		163.74
Total Investment other than in subsidiaries and associates		1,835.10		2,068.98
Total non-current investments		2,891.77		3,085.65
Aggregate amount of quoted investments		1,708.91		1,947.12
Aggregate market value of quoted investments		1,796.69		1,987.08
Aggregate amount of unquoted investments		1,182.86		1,138.54

- 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 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing ₹ 1,662.61 crores (fair value : ₹ 1,708.15 crores) as of March 31, 2021 [March 31, 2020 : costing ₹ 390.09 (fair value : ₹ 397.38)] have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 31(i)(a)].
- 4.3 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, 2021.

Notes to the financial statements for the year ended March 31, 2021

Note 5 : OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	31.03.2021		31.03.2020	
	Non-current	Current	Non-current	Current
Non-current bank balances				
Fixed deposits with maturity for more than 12 months (Refer note 5.4)	515.63	-	11.70	-
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	61.80	-	23.49	-
Total (a)	577.43	-	35.19	-
Others				
Security deposit for utilities and premises	2.57	-	2.73	-
Receivable from related parties (Refer note 29b)	-	7.37	-	12.80
Interest accrued on Bank deposits & Tax free bonds (Refer note 5.5)	13.19	18.05	7.70	12.89
Receivable on sale of Investment (Refer note 5.3)	-	-	-	224.29
Other receivables	-	7.47	-	5.64
Other Deposits				
Deposits with financial institutions at amortised cost (Refer note 5.2)	-	308.95	33.39	277.62
Total (b)	15.76	341.84	43.82	533.24

- 5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.
- 5.2 This represents amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives which have been subsequently invested in deposits with financial institutions and have been earmarked/ restricted based on SEBI directives. [Refer Note 31(i)(a)]
- 5.3 This include an amount of ₹ NIL (March 31, 2020 ₹ 179.19 crores) pertaining to Colocation and had been earmarked/ restricted based on SEBI directives. [Refer Note 31(i)(a)]
- 5.4 This include an amount of ₹ 500.54 crores (March 31, 2020 ₹ NIL) transferred in a separate bank account towards transaction charges and colocation services which have been subsequently invested in fixed deposits with banks and have been earmarked/ restricted based on SEBI directives [Refer Note 31(i)(a)]
- 5.5 This include an amount of ₹ 23.97 crores (March 31, 2020 ₹ NIL) on bank deposits and tax free bonds pertaining to Colocation and have been earmarked/ restricted based on SEBI directives. [Refer Note 31(i)(a)]

Note 6 : OTHER ASSETS

(₹ in Crores)

Particulars	31.03.2021		31.03.2020	
	Non-current	Current	Non-current	Current
Capital advances	7.20	-	8.26	-
Deposit with SEBI - Colocation [Refer note 31(i)(a)]	687.47	-	687.47	-
Other Advances recoverable	-	14.35	-	12.78
Balances with statutory authorities	-	75.60	-	71.66
Prepaid expenses	12.51	56.56	16.22	63.29
Securities Transaction Tax paid (Refer note 6.1)	10.60	-	10.60	-
	717.78	146.51	722.55	147.73

- 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, 2021

Note 7 : CURRENT INVESTMENTS

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
I Current investments				
A) Investment in bonds				
Quoted bonds at amortised cost				
(i) Taxfree bonds				
8.09% - Power Finance Corporation Limited - Series 80 A - Colocation (Refer note 7.1)	500	5.19	-	-
8.20% National Highways Authority of India - Tranche 1 - Series 1 - Colocation (Refer note 7.1)	37086	3.86	-	-
8.20% Power Finance Corporation Limited - Tranche 1 - Series 1 - Colocation (Refer note 7.1)	35436	3.70	-	-
7.93 % Rural Electrification Corporation Limited - Tranche 1 - Series 1 - Colocation (Refer note 7.1)	61238	6.58	-	-
8.00 % Indian Railway Finance Corporation Limited - Tranche 1 - Series 1 - Colocation (Refer note 7.1)	32626	3.38	-	-
		22.71		-
B) Investment in debentures				
(i) Quoted debentures at amortised cost				
7.70% HDB Financial Services Limited	-	-	250	26.55
9.1106% LIC Housing Finance Limited - Colocation (Refer note 7.1)	-	-	250	26.81
8.97% Tata Sons Limited	-	-	50	5.30
0% Kotak Mahindra Investments Limited - Colocation (Refer note 7.1)	-	-	250	28.32
7.35% Tata Sons Limited	-	-	250	26.03
7.52% HDB Financial Services Limited	-	-	250	26.33
0% Kotak Mahindra Investments Limited - Colocation (Refer note 7.1)	-	-	250	24.89
8.70% IL&FS Financial Services Limited	2,50,000	27.17	2,50,000	27.17
8.58% Infrastructure Leasing & Financial Services Limited	2,50,000	26.78	2,50,000	26.78
8.90% IL&FS Financial Services Limited	2,50,000	26.18	2,50,000	26.18
Less: Impairment losses on financial assets (Refer note 39D)		(80.13)		(80.13)
Total quoted debentures		-		164.23
C) Investment in mutual funds				
(i) Quoted investments in mutual funds at FVPL				
Nippon India Etf Nifty Cpse Bond Plus SDL - Colocation (Refer note 7.1)	90,96,843	93.80	-	-
Edelweiss Bharat Bond Fund of Fund - Direct - Growth	1,99,99,000	20.47	-	-

Notes to the financial statements for the year ended March 31, 2021

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Edelweiss Bharat Bond Fund of Fund - Direct - Growth - Colocation (Refer note 7.1)	4,86,45,165	49.78	-	-
Fixed Maturity Plans				
Nippon India Fixed Horizon Fund XXXIII Series 3 - Direct Growth - Colocation (Refer note 7.1)	-	-	2,50,00,000	31.29
Nippon India Fixed Horizon Fund - XXXIII - Series 4 - Colocation (Refer note 7.1)	-	-	2,50,00,000	31.29
Nippon India Fixed Horizon Fund - XXXIII - Series 6 Direct Growth - Colocation (Refer note 7.1)	-	-	2,50,00,000	31.13
Kotak Fixed Maturity Plan Series 199 - Colocation (Refer note 7.1)	-	-	2,00,00,000	24.84
Nippon India Fixed Horizon Fund XXXII Series 9 - Colocation (Refer note 7.1)	-	-	2,00,00,000	25.04
Birla Sun Life Fixed Term Plan - Series OI - Colocation (Refer note 7.1)	-	-	2,00,00,000	24.88
Kotak Fixed Maturity Plan Series 202 Direct Growth Colocation (Refer note 7.1)	-	-	2,00,00,000	24.75
Nippon India Fixed Horizon Fund - XXXIII - Series 7 Direct Growth - Colocation (Refer note 7.1)	-	-	2,00,00,000	24.87
Nippon India Fixed Horizon Fund XXXIII Series 1 - Colocation (Refer note 7.1)	-	-	2,00,00,000	25.07
ICICI Prudential Fixed Maturity Plan - Series 80 Plan J - Colocation (Refer note 7.1)	-	-	1,50,00,000	18.71
DHFL Pramerica Fixed Duration Fund Series AE - Colocation (Refer note 7.1)	-	-	1,50,000	18.68
Kotak Fixed Maturity Plan Series 200 Colocation (Refer note 7.1)	-	-	1,50,00,000	18.63
DSP Blackrock Fixed Maturity Plan Series 204 Direct Growth - Colocation (Refer note 7.1)	-	-	1,50,00,000	18.59
ICICI Prudential Fixed Maturity Plan - Series 80 Direct Growth - Colocation (Refer note 7.1)	-	-	1,50,00,000	18.60
IDFC Fixed Maturity Plan - Series 131 Direct Growth - Colocation (Refer note 7.1)	-	-	1,50,00,000	18.57
Birla Sun Life Fixed Term Plan - Series Oh - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.45
IDFC Fixed Maturity Plan - Series 129 - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.39
ICICI Prudential Fixed Maturity Plan - Series 80 Plan O - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.49
Birla Sun Life Fixed Term Plan - Series Oe - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.43
UTI-FTIF-XXVI-VI - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.42
ICICI Prudential Fixed Maturity Plan - Series 80 Plan Q - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.50

Notes to the financial statements for the year ended March 31, 2021

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
ICICI Prudential Fixed Maturity Plan - Series 80 Plan P - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.51
Birla Sun Life Fixed Term Plan - Series Og - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.40
DSP Blackrock Fixed Maturity Plan Series 205 Direct Growth - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.40
Birla Sun Life Fixed Term Plan - Series OK Direct Growth - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.42
Invesco India Fixed Maturity Plan - Series 29 - Plan B Direct - Growth - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.42
ICICI Prudential Fixed Maturity Plan - Series 80 Plan T - Direct Growth - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.46
UTI Fixed Term Income Fund Series XXVI-VIII Direct Growth - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.38
Nippon India Fixed Horizon Fund Xxxiv Series 7 Direct Growth - Colocation (Refer note 7.1)	-	-	1,00,00,000	12.16
HDFC Fixed Maturity Plan 1430D Series 38 Direct Growth - Colocation (Refer note 7.1)	1,00,00,000	12.87	1,00,00,000	12.12
Total Quoted Mutual Funds		176.92		540.89
(ii) Unquoted investments in mutual funds at FVPL				
SBI Magnum Ultra Short Duration Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	62,905	28.18
DSP Banking & PSU Debt Fund - Direct - Growth	1,03,53,921	19.86	-	-
Aditya Birla Sun Life Money Manager Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	10,25,723	27.79
Axis Corporate Debt Fund - Direct - Growth	3,70,98,115	50.33	-	-
Axis Overnight Fund - Direct - Growth	4,81,305	52.36	-	-
IDFC Corporate Bond Fund - Direct - Growth	3,29,71,399	50.34	-	-
IDFC Floating Rate Fund- Direct- Growth	2,49,98,750	25.09	-	-
ICICI Prudential Money Market Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	32,08,038	89.59
L&T Ultra Short Term Fund - Direct - Growth	-	-	33,94,468	11.35
Aditya Birla Sun Life Banking & PSU Debt Fund - Direct - Growth	41,10,056	119.08	-	-
Aditya Birla Sun Life Corporate Bond Fund - Direct - Growth	29,71,973	25.78	-	-
Aditya Birla Sun Life Short Term Fund - Direct - Growth	6,33,75,270	243.71	-	-
Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2026- Direct- Growth	99,99,500	10.11	-	-
IDFC Corporate Bond Fund - Direct - Growth - Colocation (Refer note 7.1)	1,37,11,144	20.93	-	-
ICICI Prudential Liquid - Direct Plan - Growth	-	-	14,541	0.43

Notes to the financial statements for the year ended March 31, 2021

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
Invesco India Corporate Bond Fund - Dir - Growth - Colocation (Refer note 7.1)	2,75,598	72.07	-	-
HDFC Liquid Fund - Direct - Growth	-	-	6,845	2.67
LIC MF Banking & PSU Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	1,67,64,563	48.47	-	-
Kotak Money Market Scheme - Direct Plan - Growth	-	-	4,54,166	150.47
IDFC Banking & Psu Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	7,35,09,022	143.64	7,22,14,141	129.73
Nippon India Banking & Psu Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	7,09,91,227	116.58	7,09,91,227	107.10
Aditya Birla Sun Life Floating Rate Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	40,86,900	103.11
Kotak Corporate Bond Fund - Direct - Growth - Colocation (Refer note 7.1)	9,51,750	284.06	3,39,408	93.69
Tata Short Term Bond Fund - Direct - Growth	-	-	2,20,25,304	82.37
SBI Saving Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	2,40,36,131	77.80
L&T Banking & Psu Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	6,69,07,349	134.56	4,17,67,059	77.54
Axis Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	6,77,79,853	76.88
Axis Banking & Psu Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	3,88,163	75.34
Axis Banking & Psu Debt Fund - Direct - Growth	2,61,352	54.83	-	-
Aditya Birla Sun Life Savings Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	17,74,677	71.13
HDFC Corporate Bond Fund - Direct - Growth- Colocation (Refer note 7.1)	-	-	3,05,55,143	70.53
HDFC Corporate Bond Fund - Direct - Growth	7,27,53,973	183.21	-	-
HDFC Floating Rate Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	1,98,10,957	70.10
HDFC Floating Rate Debt Fund - Direct - Growth	1,98,10,957	75.86	-	-
Axis Liquid Fund -Direct - Growth	2,80,128	64.00	2,72,297	60.02
ICICI Prudential Banking & PSU Debt Fund- Direct- Growth - Colocation (Refer note 7.1)	2,39,54,057	61.36	2,39,54,057	56.64
Kotak Banking & PSU Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	2,18,28,515	112.47	1,12,14,674	53.43
SBI Banking & Psu Debt Fund - Direct - Growth - Colocation (Refer note 7.1)	2,17,533	55.56	2,17,533	51.45
SBI Corporate Bond Fund - Direct - Growth - Colocation (Refer note 7.1)	5,64,37,386	68.93	4,46,26,122	50.36

Notes to the financial statements for the year ended March 31, 2021

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
ICICI Prudential Corporate Bond Fund - Direct - Growth - Colocation (Refer note 7.1)	8,56,13,011	201.26	2,33,35,809	50.20
ICICI Prudential Corporate Bond Fund - Direct - Growth	2,49,17,779	58.57		
Invesco India Treasury Advantage Fund - Direct - Growth - Colocation (Refer note 7.1)	5,79,038	176.71	1,64,744	47.15
L&T Ultra Short Term Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	1,23,96,950	41.44
ICICI Prudential Banking & PSU Debt Fund - Direct - Growth	-	-	1,65,19,847	39.06
HDFC Low Duration Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	82,14,813	36.32
HDFC Low Duration Fund - Direct - Growth	82,14,813	39.08	-	-
Nippon India Money Market Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	1,00,824	30.78
ICICI Prudential Savings Fund - Direct Plan - Growth - Colocation (Refer note 7.1)	-	-	7,34,966	28.69
Kotak Savings Fund - Direct - Growth - Colocation (Refer note 7.1)	-	-	84,41,292	27.73
Sundaram Banking & Psu Debt Fund - Direct - Growth	-	-	81,26,091	26.04
Axis Treasury Advantage Fund - Growth - Direct Plan	-	-	1,11,521	25.93
Canara Robeco Savings Plus Fund - Direct - Growth	-	-	77,31,299	24.59
HDFC Overnight Fund - Direct - Growth	-	-	11,116	3.30
HDFC Money Market Fund - Direct - Growth	2,34,973	105.13	-	-
Axis Treasury Advantage Fund - Growth - Direct Plan - Colocation (Refer note 7.1)	56,334	13.99	-	-
Edelweiss Liquid Fund - Direct - Growth	1,05,522	28.00	-	-
Mirae Asset Cash Management Fund - Direct Plan - Growth	64,659	14.04	-	-
DSP Blackrock Low Duration Fund - Direct - Growth	5,62,80,597	89.06	-	-
Aditya Birla Sun Life Floating Rate Fund - Direct - Growth - Colocation (Refer note 7.1)	1,15,28,413	312.05	-	-
Aditya Birla Sun Life Floating Rate Fund - Direct - Growth	27,76,467	75.16		
UTI Money Market - Direct Plan - Growth - Colocation (Refer note 7.1)	10,56,619	253.08	-	-
HSBC Cash Fund Direct Growth	3,91,112	80.13	-	-
UTI Treasury Advantage Fund - Direct - Growth - Colocation (Refer note 7.1)	3,88,408	102.74	-	-
Nippon India Money Market Fund - Direct - Growth	5,20,256	167.56	-	-
Tata Short Term Bond Fund - Direct - Growth - Colocation (Refer note 7.1)	74,85,127	30.28	-	-
Tata Treasury Advantage Fund - Direct - Growth - Colocation (Refer note 7.1)	2,59,008	80.78	-	-
Kotak Low Duration Fund - Direct - Growth - Colocation (Refer note 7.1)	25,323	7.02	-	-

Notes to the financial statements for the year ended March 31, 2021

Note 7 : CURRENT INVESTMENTS (contd.)

Particulars	31.03.2021		31.03.2020	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
SBI Short Term Debt Fund - Direct - Growth	11,56,88,090	301.12	-	-
SBI Liquid Fund - Direct Growth (Refer note 7.2)	35,403	11.41	-	-
Tata Money Market Fund - Direct - Growth	27,309	10.01	-	-
Total Unquoted Mutual Funds		4,250.37		1,998.93
Total Investment in Mutual Funds		4,427.29		2,539.82
Total current investments		4,450.00		2,704.05
Aggregate amount of quoted investments		199.63		705.12
Aggregate market value of quoted investments		200.14		705.16
Aggregate amount of unquoted investments		4,250.37		1,998.93
Aggregate amount of impairment in the value of investments		80.13		80.13

- 7.1 This represents investment made from amounts transferred in a separate bank account towards transaction charges and colocation services based on SEBI directives after taking Board's approval. These investments costing ₹ 2,377.11 crores (fair value ₹ 2,475.70 crores) as of March 31, 2021 [March 31, 2020 : ₹ 2,188.08 crores (fair value ₹ 2,193.60 crores)] have been earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 31(i)(a)].
- 7.2 This represents amount 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.

Note 8 : TRADE RECEIVABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Trade Receivables	847.60	560.09
Less : Loss Allowance	(12.78)	(9.17)
	834.82	550.92
Break up of security details		
Trade Receivables considered good - Secured (Refer note 8.1 & 8.2)	787.45	526.08
Trade Receivables considered good - Unsecured	47.37	24.84
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	12.78	9.17
Total	847.60	560.09
Loss allowance	(12.78)	(9.17)
Total Trade Receivables	834.82	550.92

- 8.1 Trade Receivables are secured against deposits received from members (Refer note: 20 & 37)
- 8.2 This includes an amount of ₹ 311.29 crores (March 31, 2020 ₹ 188.54 crores) towards transaction charges and colocation services realised after March 31, 2021 and transferred in separate bank account after March 31, 2021 and then invested. [Refer Note 31(i)(a)]

Note 9 : CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Balances with banks : in current accounts	39.41	68.84
Cash on hand	0.01	0.01
	39.42	68.85

Notes to the financial statements for the year ended March 31, 2021

Note 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Balances with banks : in current accounts (Refer note 10.1)	19.04	12.05
Fixed Deposits (Refer note 10.2)		
- with original maturity for more than 3 months but less than 12 months	21.95	1.55
- with maturity of less than 12 months at the balance sheet date	688.24	1.55
Earmarked Fixed Deposits (Refer note 10.3)		
- with original maturity for more than 3 months but less than 12 months	32.70	0.54
- with maturity of less than 12 months at the balance sheet date	129.10	147.39
Unpaid dividends (Refer note 10.4 & 13)	-	43.09
	891.03	206.17

10.1 This include an amount of ₹ 17.48 crores (March 31, 2020 ₹ 12.05 crores) pertaining to Colocation [Refer Note 31(i)(a)] and ₹ 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 This include an amount of ₹ 700.85 crores (March 31, 2020 ₹ NIL) transferred in a separate bank account towards transaction charges and colocation services which have been subsequently invested in fixed deposits with banks and have been earmarked/ restricted based on SEBI directives [Refer Note 31(i)(a)]

10.3 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

10.4 This represents amount of dividend withheld pursuant to SEBI letter dated May 13, 2019.

Note 11 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Authorised		
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)		
Issued, subscribed and paid-up		
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)		
Total	49.50	49.50

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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 31.03.2021		As at 31.03.2020	
	(Numbers in Crores)	(₹ in Crores)	(Numbers in Crores)	(₹ in Crores)
At the beginning of the year Face value of ₹ 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 ₹ 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 31.03.2021		As at 31.03.2020	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	5,30,55,000	10.72%	6,19,13,500	12.51%

Notes to the financial statements for the year ended March 31, 2021

Note 12 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2021		31.03.2020	
	Non-current	Current	Non-current	Current
Trade payables	-	140.95	-	113.72
Trade payables to MSME (Refer Note 32)	-	1.14	-	0.83
Trade payables to related parties (Refer note 29b)	-	43.55	-	11.66
Total	-	185.64	-	126.21

Note 13 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	31.03.2021		31.03.2020	
	Non-current	Current	Non-current	Current
Deposits - Premises	-	8.06	-	7.10
Creditors for capital expenditure	-	21.37	-	14.00
Defaulters fund pending claims	-	113.80	-	99.11
Contribution payable to Core SGF (Refer note 13.1)	-	-	-	62.08
Unpaid Dividend	-	-	-	43.09
Other liabilities (Refer note 7.2 & 9.2)	12.96	28.69	-	27.51
Total	12.96	171.92	-	252.89

13.1 This represents amount payable to Indian Clearing Corporation Ltd [Refer note 1(v)]

Note 14 : CONTRACT LIABILITIES

(₹ in Crores)

Particulars	31.03.2021		31.03.2020	
	Non-current	Current	Non-current	Current
Contract Liabilities related to Listing services	21.23	1.08	16.54	0.31
Total	21.23	1.08	16.54	0.31

Note 15 : PROVISIONS

(₹ in Crores)

Particulars	31.03.2021		31.03.2020	
	Non-current	Current	Non-current	Current
Employee benefits obligation	-	-	-	-
Provision for gratuity	-	1.18	10.53	4.23
Provision for variable pay and other allowances	14.11	51.37	11.81	44.18
Provision for leave encashment	-	15.04	-	15.78
Total	14.11	67.59	22.34	64.19

Notes to the financial statements for the year ended March 31, 2021

Note 16 : INCOME TAXES

(a) The Taxation Law (Amendments) Ordinance 2019 ('the Ordinance'), provides an option to domestic companies to pay income-tax at a lower rate of 22% (plus applicable surcharge and cess) instead of the normal rate of 30% (plus applicable surcharge and cess) depending on the conditions specified in this behalf under section 115 BAA of the Income Tax Act, 1961. A domestic company can avail of the lower tax rate only if it opts for not availing of certain exemptions or incentives specified in this behalf in the Ordinance. There is no time limit prescribed under the above to choose the option of lower tax rate under section 115BBA, however, once chosen it is irreversible. The Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its net deferred tax balances basis the rate prescribed in the said section. The full impact of this change has been recognised in the Statement of Profit and Loss account for the year ended March 31, 2020.

b) Income tax expense

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Income tax expense		
Current Tax		
Current tax expense	504.62	510.00
Total Current Tax	504.62	510.00
Deferred Tax		
(Increase) / Decrease in deferred tax assets	(31.13)	0.94
Increase / (Decrease) in deferred tax liabilities	14.77	(16.72)
Total deferred tax expense (benefit)	(16.36)	(15.78)
Total Income tax expenses*	488.26	494.22

*This excludes deferred tax (expense) / benefit on other comprehensive income of ₹ (2.08) crores for the year ended March 31, 2021 : for the year ended March 31, 2020 [₹ (4.36) Crores]

c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Profit before income tax expense	2,275.54	2,054.68
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	572.71	517.12
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Dividend income	(52.09)	(34.72)
Interest on tax free bonds	(12.59)	(16.23)
Expenditure related to exempt income	1.78	5.16
Specific Tax deductions	(0.96)	(0.91)
Rate change impact on opening deferred tax	-	(5.40)
Others	(20.58)	29.20
Income Tax Expense	488.26	494.22

The applicable Indian statutory tax rate for year ended March 31, 2021 is 25.168% (March 31, 2020 : 25.168%).

Notes to the financial statements for the year ended March 31, 2021

d) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Deferred income tax assets		
Provision for leave encashment	3.46	3.33
Others	49.74	18.86
Total deferred tax assets	53.20	22.19
Deferred income tax liabilities		
Property, plant and equipment and investment property	7.47	2.86
Financial Assets at Fair Value through OCI	14.14	12.18
Financial Assets at Fair Value through profit and Loss	38.79	25.86
Others	0.02	2.79
Total deferred tax liabilities	60.42	43.69
Net Deferred tax liabilities	7.22	21.50

e) Deferred tax assets

Movement in deferred tax assets

(₹ in Crores)

Particulars	Provision for leave encashment	Financial Assets at Fair Value through profit and Loss	Others	Total
At 1 April 2019	4.13	-	17.48	21.61
Charged/(credited)				-
- to profit or loss	(0.80)	-	(0.14)	(0.94)
- to other comprehensive income	-	-	1.52	1.52
At 31 March 2020	3.33	-	18.86	22.19
Charged/(credited)				
- to profit or loss	0.13	-	31.00	31.13
- to other comprehensive income	-	-	(0.12)	(0.12)
At 31 March 2021	3.46	-	49.74	53.20

Note : Deferred tax asset on indexation benefit of investment in subsidiaries of ₹ 73.41 crores as at March 31, 2021 (March 31, 2020 : ₹ 62.93 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.

f) Movement in deferred tax liabilities

(₹ in Crores)

Particulars	Property, plant and equipment	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI on Equity and debt instruments	Others	Total
At 1 April 2019	6.50	41.71	6.30	0.02	54.53
Charged/(credited)					
- to profit or loss	(3.64)	(15.85)	-	2.77	(16.72)
- to other comprehensive income	-	-	5.88	-	5.88
At 31 March 2020	2.86	25.86	12.18	2.79	43.69
Charged/(credited)					
- to profit or loss	4.61	12.93	-	(2.77)	14.77
- to other comprehensive income	-	-	1.95	-	1.95
At 31 March 2021	7.47	38.79	14.14	0.02	60.42

Notes to the financial statements for the year ended March 31, 2021

Note 17 : INCOME TAX LIABILITIES (NET) - CURRENT*

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Wealth tax (net of advances)	0.29	0.29
Income tax (net of advances)	139.80	148.22
	140.09	148.51

Note 18 : INCOME TAX ASSETS (NET) - NON-CURRENT*

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Income tax paid including TDS (Net of provisions)	372.11	371.97
Wealth tax (net of provisions)	0.02	0.02
Fringe benefit tax (net of provisions)	2.21	2.21
	374.34	374.20

*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.

Note 19 : OTHER LIABILITIES

(₹ in Crores)

Particulars	31.03.2021		31.03.2020	
	Non-current	Current	Non-current	Current
Deposit - STT (Refer note 6.1)	5.41	-	5.41	-
Securities Transaction Tax payable	-	1,697.12	-	224.41
Statutory dues payable	-	247.37	-	160.31
Advance from customers	-	50.22	-	38.57
Others (Refer note 43)	-	220.09	-	54.56
Total	5.41	2,214.80	5.41	477.85

Note 20 : DEPOSITS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Deposits from trading members	985.71	1,005.18
Deposits from applicants for membership	0.49	0.52
Deposits from mutual fund distributors	1.81	1.91
Deposits towards equipments	2.75	2.26
Deposit - listing & book building	56.75	23.25
Total	1,047.51	1,033.12

Notes to the financial statements for the year ended March 31, 2021

Note 21 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2021		For the year ended 31.03.2020	
Revenue from contracts with customers :				
<u>Trading services</u>				
Transaction charges (Refer note 21.2)		4,235.62		2,387.77
<u>Listing services</u>				
Listing fees	95.41		91.66	
Book building Fees	24.36		11.01	
Processing fees	25.34	145.11	14.21	116.88
<u>Colocation charges (Refer note 21.3)</u>		274.06		166.14
<u>Others</u>		119.19		101.43
Total (Refer note 21.1)		4,773.98		2,772.22
Other operating revenues :				
Income on investments (Refer note 21.4)	74.31	74.31	60.21	60.21
Total		4,848.29		2,832.43

21.1 Reconciliation of revenue recognised with contract price :

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Contract Price	4,779.45	2,776.06
Adjustments for contract liabilities	(5.47)	(3.83)
Revenue from contracts with customers	4,773.98	2,772.22

21.2 Includes revenue from Transaction charges amounting to ₹ 2,204.72 crores (Previous year : ₹ 1,181.50) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, deposits with financial institutions, mutual funds, bonds, government securities and debentures. [Refer Note 4.2, 5.2, 5.3, 5.4, 5.5, 7.1, 10.1, 10.2 & 31(i)(a)]

21.3 Pertains to revenue from Colocation services amounting to ₹ 273.58 crores (Previous year : ₹ 166.14) kept in separate bank account based on SEBI directive which have been subsequently invested in fixed deposits, deposits with financial institutions, mutual funds, bonds, government securities and debentures [Refer Note 4.2, 5.2, 5.3, 5.4, 5.5, 7.1, 10.1, 10.2 & 31(i)(a)]

21.4 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, 2021

Note 22 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31.03.2021		For the year ended 31.03.2020	
Dividend income				
- from equity investments designated at FVOCI	0.40		0.01	
- from subsidiary companies	202.75		134.69	
- from other investments	3.84	206.99	3.27	137.97
Interest income from financial assets at amortised cost		62.77		122.91
Interest income from financial assets designated at FVOCI		36.12		40.22
Rental income		12.79		12.26
Miscellaneous income		4.42		3.99
		323.09		317.35
Other gains/(losses)				
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	137.08		(37.52)	
Net gain on sale of financial assets measured at FVOCI (Refer note 22.1)	-		2.06	
Net gain on sale of investments measured at amortised cost	9.73		23.09	
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	147.21		91.91	
Net foreign exchange gains	0.65		0.03	
Net gain on disposal of property, plant and equipment	-		0.54	
		294.67		80.11
Total other income		617.76		397.46

22.1 This includes amount of ₹ NIL reclassified from other comprehensive income on account of sale of investments for the year ended March 31, 2020 [March 31, 2020 : ₹ (1.03)]

Note 23 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Salaries, wages and bonus	189.66	177.82
Contribution to provident and other fund (Refer note 26)	7.96	14.26
Gratuity (Refer note 26)	4.59	3.30
Staff welfare expenses	9.93	10.81
Total	212.14	206.19

Notes to the financial statements for the year ended March 31, 2021

Note 24 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Repairs & maintenance		
- To computers, trading & telecommunication systems	160.19	114.73
- To buildings	3.16	3.44
- To others	14.84	14.61
SEBI regulatory fees	91.01	53.68
License fees for index	43.86	21.24
IT management and consultancy charges	73.64	19.36
Software expenses	96.35	49.29
Web trading related expenses	-	14.57
Network infrastructure management charges	2.64	8.52
Lease line charges	22.40	15.84
Water and electricity charges	29.38	30.46
Rates and taxes	6.42	6.32
Directors' sitting fees	0.50	0.60
Legal and professional fees	42.40	36.36
Advertisement and publicity	15.79	19.96
Travel and conveyance	14.81	10.02
Corporate Social Responsibility expenditure [Refer note 34(b)]	22.97	40.84
Contribution to Investor protection fund trust (Refer note 24.1)	3.36	4.21
Investor education expenses	33.44	11.52
Payment to auditors (Refer note below)	0.94	0.91
Donations	1.00	5.00
Intangible assets under development written off	-	34.11
Loss on sale of assets	0.00	6.47
Other expenses	88.21	73.82
Total	767.31	595.88
Note :		
Payment to auditors		
As auditors :		
Audit fees	0.60	0.54
Limited review	0.30	0.24
In other capacities		
Certification matters	0.02	0.02
Other services	0.02	0.11
Total	0.94	0.91

24.1 It represents 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 43).

Notes to the financial statements for the year ended March 31, 2021

Note 25 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
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	1,787.28	1,560.46
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
Earnings per equity share (basic and diluted)	36.11	31.52

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, 2021 amounting to ₹ 1.30 Crore (March 31, 2020: ₹ 1.19 Crore) has been charged to Statement of Profit & Loss (Reimbursement of cost charged to subsidiaries was - 31.03.2021: ₹ 0.49 crore, March 31, 2020: ₹ 0.04 crore).

ii) Defined benefit plan :

(a) Provident fund:

The Company has established National Stock Exchange of India Limited Employee Provident Fund Trust to which both the employee and the employer make monthly contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees is charged to Statement of Profit and Loss. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability as of and for the year ended March 31, 2021 is ₹ 0.84 crores which has been accounted in the financial statements (March 31, 2020 is ₹ 1.34). The Company has contributed ₹ 5.36 Crore and ₹ 5.00 Crore towards Provident Fund during the year ended March 31, 2021 and year ended March 31, 2020, respectively. The contribution of ₹ 0.58 Crore during the year ended March 31, 2021 and ₹ 0.57 Crore during the year ended March 31, 2020 was reimbursed by the subsidiaries.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels	10.00%	10.00%
c. Discount Rate	6.49%	6.59%
d. Attrition Rate	12.00%	12.00%
e. Weighted Average Yield	8.34%	8.53%
f. Weighted Average YTM	8.00%	8.38%
g. Reinvestment Period on Maturity	5 years	5 years
h. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
i. Total PF assets as on date of valuation (₹ in Crores)	121.77	106.16

Notes to the financial statements for the year ended March 31, 2021

(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	31.03.2021		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	46.04	(31.29)	14.75
Current service Cost	4.29	-	4.29
Interest cost / (income)	3.04	(2.06)	0.98
Expenses recognised in the Statement of Profit & Loss *	7.33	(2.06)	5.27
Remeasurements			
Expected return on plan assets	-	0.05	0.05
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	0.28	-	0.28
Actuarial (gains)/losses on obligations - due to experience	(0.87)	-	(0.87)
Net (income)/expense for the year recognised in OCI #	(0.59)	0.05	(0.54)
Employer Contributions	-	(18.17)	(18.17)
Liability / (Asset) transferred	(0.13)	-	(0.13)
Benefits paid	(2.43)	2.43	-
At the end of the year	50.22	(49.04)	1.18

*Includes ₹ 0.78 Crores charged to the subsidiaries.

Includes ₹ (0.08) Crores charged to the subsidiaries.

(₹ in Crores)

Particulars	31.03.2020		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	35.15	(27.97)	7.18
Current service Cost	3.19	-	3.19
Interest cost / (income)	2.63	(2.09)	0.54
Expenses recognised in the Statement of Profit & Loss *	5.82	(2.09)	3.73
Remeasurements			
Expected return on plan assets	-	(0.74)	(0.74)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	6.55	-	6.55
Actuarial (gains)/losses on obligations - due to experience	1.00	-	1.00
Net (income)/expense for the year recognised in OCI #	7.55	(0.74)	6.81
Employer Contributions	-	(2.81)	(2.81)
Liability transferred	(0.16)	-	(0.16)
Benefits paid	(2.32)	2.32	-
At the end of the year	46.04	(31.29)	14.75

*Includes ₹ 0.42 Crores charged to the subsidiaries.

Includes ₹ 0.77 Crores charged to the subsidiaries.

Notes to the financial statements for the year ended March 31, 2021

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Fair value of plan assets as at the end of the year	49.04	31.29
Liability as at the end of the year	(50.22)	(46.04)
Net (liability) / asset	(1.18)	(14.75)

(iii) Significant actuarial assumptions are as follows:

Particulars	31.03.2021	31.03.2020
Discount rate	6.49%	6.59%
Rate of return on plan assets	6.49%	7.48%
Salary escalation	10.00%	10.00%
Attrition rate	12.00%	12.00%

(iv) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Projected benefit obligation on current assumptions	50.22	46.04
Delta effect of +1% change in rate of discounting	(2.68)	(2.53)
Delta effect of -1% change in rate of discounting	3.03	2.85
Delta effect of +1% change in salary increase	2.89	2.73
Delta effect of -1% change in salary increase	(2.62)	(2.47)
Delta effect of +1% change in employee turnover	(0.65)	(0.61)
Delta effect of -1% change in employee turnover	0.72	0.68

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	31.03.2021	31.03.2020
1st Following Year	9.17	7.90
2nd Following Year	5.54	3.93
3rd Following Year	4.05	5.87
4th Following Year	4.18	3.63
5th Following Year	4.05	3.81
Sum of Years 6 to 10	20.88	18.44

(vi) Expected contribution to gratuity plan for the year ending March 31, 2022 are ₹ 4.39 Crore

Notes to the financial statements for the year ended March 31, 2021

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”.

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, 2021	Notes	Level 1	Level 2	Level 3	Total March 31, 2021
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	7	4,414.42	-	-	4,414.42
Mutual Fund - Fixed Maturity Plan	7	-	12.87	-	12.87
Exchange Traded Funds	4	-	-	-	-
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	544.65	-	544.65
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	126.19	126.19
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.76	-	-	0.76
Total Financial Assets		4,415.18	557.52	126.19	5,098.89

(₹ in Crores)

Financial Assets and Liabilities measured at Fair Value - recurring fair Value measurements At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total March 31, 2020
Financial Assets					
Financial Investments at FVPL					
Mutual Fund - Growth Plan	4, 7	2,162.67	-	-	2,162.67
Mutual Fund - Fixed Maturity Plan	7	-	540.89	-	540.89
Exchange Traded Funds	4	221.43	-	-	221.43
Financial Investments at FVOCI					
Debt Instrument at FVOCI - Government Securities	4	-	487.43	-	487.43
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	121.87	121.87
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.56	-	-	0.56
Total Financial Assets		2,384.66	1,028.32	121.87	3,534.85

Notes to the financial statements for the year ended March 31, 2021

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:

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, 2021 and March 31, 2020.

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, 2021 and 31 March, 2020:

Particulars	Unlisted Equity security
As at 1 April 2019	74.63
Gain / (loss) recognised in Other Comprehensive Income	(12.30)
As at 31 March 2020	62.33
Gain / (loss) recognised in Other Comprehensive Income	4.32
As at 31 March 2021	66.65

(₹ in Crores)

Notes to the financial statements for the year ended March 31, 2021

(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
	31.03.2021	31.03.2020		31.03.2021	31.03.2020
Unquoted Equity Shares - NCDEX	126.19	121.87	P/B Multiple	5.0x	5.1x
			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
			P/B multiple based on latest available transactions	NA	NA
			Average P/B multiple arrived at	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹ In Crores)	525.80	507.83
			Equity valuation of NCDEX (₹ in Crores)	841.28	812.44
			Valuation of 15% stake (₹ in Crores)	126.19	121.87

* 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)

	31.03.2021		31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Debentures	-	-	390.80	391.85
Taxable Bonds	485.12	496.57	141.76	146.00
Taxfree Bonds	701.09	777.95	705.62	740.32
Fixed Deposits with Banks	1,480.66	1,482.76	253.73	241.42
Deposits with financial institutions	308.95	312.88	311.01	309.29
Security Deposits	2.57	2.57	2.73	2.73
Total Financial Assets	2,978.39	3,072.73	1,805.65	1,831.61
Financial Liabilities	-	-	-	-
Total Financial Liabilities	-	-	-	-

The carrying amounts of trade receivables, contract liabilities, trade payables, other receivables, cash and cash equivalent including other current bank balances and other liabilities are considered to be the same as their fair values, due to current and short term nature of such balances.

The fair value of debentures, taxable bonds, taxfree bonds, 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 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, 2021

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 (formerly known as National Securities Clearing Corporation Limited)	Subsidiary Company	Clearing and Settlement	100%
2	NSE Investments Ltd (formerly known as NSE Strategic Investment Corporation Limited)	Subsidiary Company	Investment Entity	100%
3	NSE IFSC Limited	Subsidiary Company	Trading Facility	100%
4	NSE IFSC Clearing Corporation Limited	Subsidiary's Subsidiary Company	Clearing and Settlement	100%
5	NSEIT Limited	Subsidiary's Subsidiary Company	IT Services	100%
6	NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Subsidiary's Subsidiary Company	Data Vending	100%
7	NSE Indices Ltd (formerly known as India Index Services & Products Limited)	Subsidiary's Subsidiary Company	Index Services	100%
8	NSE Infotech Services Limited	Subsidiary's Subsidiary Company	IT Services	100%
9	NSE.IT (US) Inc.*	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100%
10	Aujas Cybersecurity Limited	Subsidiary's Subsidiary's Subsidiary Company	IT Services	99.29%
11	NSE Academy Limited	Subsidiary's Subsidiary Company	Financial Literacy Programme	100%
12	NSE Foundation	Subsidiary Company	CSR Activities	76%
13	National Securities Depository Limited	Associate Company	Depository Services	24%
14	BFSI Sector Skill Council of India	Associate Company	Skill Council	49%
15	Power Exchange India Limited	Subsidiary's Associate	Trading Facility in power	30.95%
16	NSDL e-Governance Infrastructure Limited	Subsidiary's Associate	E-Governance Solutions	25.05%
17	Market Simplified India Limited	Subsidiary's Associate	Software Industry	30%
18	Computer Age Management Services Limited (upto 04.02.2020)	Subsidiary's Associate	Mutual Fund Transfer Agency	37.50%
19	Receivables Exchange Of India Limited	Subsidiary's Associate	Online Platform for financing receivables (TReDS)	30%
20	Cogencis Information Services Limited (w.e.f. January 21, 2021)	Subsidiary's Subsidiary's Subsidiary Company	Data Terminal	100%
21	Capital Quants Solutions Private Limited (w.e.f. March 3, 2021)	Subsidiary's Subsidiary's Associate	Data processing	17%
22	Talentsprint Private Limited (w.e.f. November 10, 2020)	Subsidiary's Subsidiary's Subsidiary Company	Financial Literacy Programme	70%
23	Indian Gas Exchange Limited (w.e.f. March 16, 2021)	Subsidiary's Associate	Gas Exchange	26%
24	Mr. Vikram Limaye - Managing Director	Key Management Personnel		

Notes to the financial statements for the year ended March 31, 2021

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
25	Mr. Girish Chandra Chaturvedi (w.e.f. 08-Nov-2019)	Key Management Personnel		
26	Ms. Anuradha Rao (w.e.f. 08-Nov-2019)	Key Management Personnel		
27	Mr. Abhay Havaladar (upto 25-Sep-2020)	Key Management Personnel		
28	Mr. Dinesh Kanabar (upto 17-Feb-2020)	Key Management Personnel		
29	Mr. Naved Masood (upto 17-Feb-2020)	Key Management Personnel		
30	Mr. T. V. Mohandas Pai (upto 17-Feb-2020)	Key Management Personnel		
31	Mr. Prakash Parthasarathy	Key Management Personnel		
32	Mr. Sundararajaramo Sudharshan (w.e.f. 17-Feb-2020)	Key Management Personnel		
33	Mr. Narsimha Murthy Kummamari (w.e.f. 17-Feb-2020)	Key Management Personnel		
34	Ms. Mona Bhide (w.e.f. 21-04-2020)	Key Management Personnel		
35	Ms. Dharmishta Raval (upto 31-Aug-2019)	Key Management Personnel		
36	Ms. Sunita Sharma	Key Management Personnel		

* The principal place of business of NSEIT (US) Inc is located in US.

(b) Details of transactions (including service tax / GST as levied) with related parties are as follows :

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)	Usage charges received	26.73	21.70
	Usage charges paid for interoperability	1.66	1.66
	Space and Infrastructure usage charges received	5.48	5.29
	Recovery of Electronic Bidding Platform income	0.62	-
	Reimbursement received for expenses on staff on deputation	12.32	11.66
	Reimbursement received for other expenses incurred	46.29	39.67
	Reimbursement paid for CAMS Charges	0.32	0.38
	Dividend received	90.00	81.00
	Clearing and Settlement charges paid	310.74	200.87
	Closing balance (Credit)/Debit	(20.71)	(0.07)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE IFSC Limited	Reimbursement received for expenses on staff on deputation	1.93	2.04
	Subscription of Equity share capital	40.00	35.00
	Usage charges received	0.50	0.50
	Reimbursement received for other expenses incurred	0.00	1.14
	Sale of assets	0.37	-
	Closing balance (Credit)/Debit	0.55	2.23

Notes to the financial statements for the year ended March 31, 2021

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE IFSC Clearing Corporation Limited	Reimbursement received for expenses on staff on deputation	0.14	0.35
	Reimbursement received for other expenses incurred	0.01	0.01
	Closing balance (Credit)/Debit	(0.08)	0.22

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSEIT Limited	Reimbursement received for other expenses incurred	-	0.19
	Software Development Charges paid	2.14	9.54
	Software Expenses	2.44	3.26
	Repairs and maintenance – Computer trading , Telecommunication systems	51.51	38.17
	STP Charges Received	0.00	0.02
	Now project Helpdesk Charges Paid	-	0.97
	Empanelment charges received	0.06	0.06
	Sponsorship Received	-	0.15
	Laptop hire charges paid	0.34	-
	IT management and consultancy charges paid	16.21	11.14
	Closing balance (Credit)/Debit	(14.66)	(9.04)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Data & Analytics Limited (formerly known as DotEx International Limited)	Space and Infrastructure usage charges received	1.01	1.07
	Reimbursement received for expenses on staff on deputation	5.08	5.89
	Reimbursement received for other expenses incurred	0.19	0.20
	Purchase of Now business (Refer note 42)	-	43.46
	Empanelment & Test market access charges received	-	0.09
	Amount received towards revenue sharing on account of info feed services	32.94	29.93
	Recovery towards web trading facility provided to members	-	0.15
	Subscription fees paid for bond valuation data & historical data & KYC	1.81	0.73
	Software Charges paid	0.25	-
	Web trading related expenses paid	-	17.04
	Closing balance (Credit)/Debit	5.80	8.20

Notes to the financial statements for the year ended March 31, 2021

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Indices Limited (formerly known as India Index Services & Products Limited)	License fees paid	49.10	23.78
	Data Subscription fees paid	0.05	0.05
	Usage Charges received	0.89	0.89
	Space and Infrastructure usage charges received	0.48	0.51
	Reimbursement received for expenses on staff on deputation	3.37	3.14
	Reimbursement received for other expenses incurred	0.21	0.29
	Closing balance (Credit)/Debit	(5.64)	(2.54)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Infotech Services Limited	Reimbursement received for other expenses incurred	-	0.26
	Closing balance (Credit)/Debit	0.01	0.01

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Investments Limited (formerly known as NSE Strategic Investment Corporation Limited)	Space and Infrastructure usage charges received	0.11	0.10
	Dividend Received	112.75	53.69
	Reimbursement received for expenses on staff on deputation	1.33	1.24
	Reimbursement received for other expenses incurred	0.11	0.12
	Closing balance (Credit)/Debit	0.37	0.76

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Academy Limited	Reimbursement received for expenses on staff on deputation	4.20	5.23
	Payment of NISM income received on their behalf	6.16	9.30
	Reimbursement received for other expenses incurred	0.53	0.66
	Reimbursement paid for other expenses	0.14	-
	Space and Infrastructure usage charges received	0.57	0.59
	Closing balance (Credit)/Debit	(0.44)	0.75

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSE Foundation	Space and Infrastructure usage charges received	0.18	0.14
	Reimbursement received for expenses on staff on deputation	1.20	0.96
	Reimbursement received for other expenses incurred	0.08	0.14
	Contribution towards CSR	12.97	30.84
	Closing balance (Credit)/Debit	0.33	0.27

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
National Securities Depository Limited	Dividend received	3.84	2.88
	DP Validation Charges paid	1.21	0.40
	Closing balance (Credit)/Debit	(0.02)	0.01

Notes to the financial statements for the year ended March 31, 2021

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
NSDL e-Governance Infrastructure Limited	PAN verification charges paid	0.00	0.02
	Closing balance (Credit)/Debit	-	-

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
Aujas Cybersecurity Limited	IT management and consultancy charges paid	1.35	-
	Software Development Charges paid	0.28	-
	Software Expenses	7.29	-
	Repairs and maintenance – Computer trading , Telecommunication systems	1.90	-
	Closing balance (Credit)/Debit	(2.00)	-

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
Cogencis Information Services Limited (w.e.f. January 21, 2021)	Data feed charges paid	0.41	-
	Closing balance (Credit)/Debit	-	-

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
Receivables Exchange Of India Limited	Reimbursement received for expenses on staff on deputation	0.18	-
	Closing balance (Credit)/Debit	0.29	0.36

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
Computer Age Management Services Limited (upto 04.02.2020)	Sharing of Income	-	1.29
	Amount paid towards Rent	-	0.37
	Closing balance (Credit)/Debit	-	-

Name of the Related Party	Nature of Transactions	Year ended 31.03.2021	Year ended 31.03.2020
Mr. Vikram Limaye	Short-term employee benefits	8.62	7.97
	Post-employment benefits (Refer note 29.1)	0.28	0.26
	Long-term employee benefits (Refer note 29.2)	1.32	1.21
	Total Remuneration	10.22	9.44
Key Management Personnel	Sitting Fees Paid to Directors	2.01	1.58

29.1 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.

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. There have been no guarantees provided or received for any related parties receivables or payables as of March 31, 2021 and March 31, 2020. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

Notes to the financial statements for the year ended March 31, 2021

Note 30 : CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	77.74	117.03
Other Commitments (Primarily in respect of operating expenses)	218.29	139.77

Note 31 : CONTINGENT LIABILITIES AND OTHER REGULATORY MATTERS

(i) (a) Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Ltd (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. Accordingly, Investigation 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 continues to transfer till date all revenues emanating from the colocation facility to a separate account. As of March 31, 2021, an amount of ₹ 6,085.04 crores (March 31, 2020 ₹ 3,606.73 cores) was transferred to a separate bank account and the same has been invested in accordance with Board's approved investment policy and procedures. These investments along with accruals there on have been shown under restricted / earmarked investments and bank balances.

Three separate show cause notices 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 has passed three orders in respect of all the three show cause notices. In the first order, it has passed a direction on NSE inter alia to disgorge an amount of ₹ 624.89 crores along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment and certain non-monetary and restrictive directions prohibiting the Company from raising funds from the market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of ₹ 62.58 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with certain non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE has also received Adjudication notices covering the above three orders for which NSE has filed its replies with SEBI. Hearing before SEBI in respect of all three Adjudication matters have been completed. With respect to Adjudication notice pertaining to preferential access to tick by tick data at the Company's Colocation facility, SEBI on February 10, 2021 passed an order and levied a monetary penalty of ₹ 1 crore. Order of SEBI in relation to Adjudication Dark Fiber point to point connectivity and Governance and conflict of interest matters is awaited.

The Company having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with Hon'ble Securities Appellate Tribunal (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 crores in the Colocation matter and ₹ 62.58 crores in the Dark Fibre matter totalling to ₹ 687.47 crores to SEBI which has been remitted by the Company on June 13, 2019 out of the total earmarked investments as indicated above. Accordingly, as on March 31, 2021 the total earmarked investments including income accrued thereon stood at ₹ 6,046.93 crores (March 31, 2020 ₹ 3,288.86 crores). Further, the Company was also directed to continue to transfer all revenues emanating from its co-location facility to a separate bank account. With respect to Governance and related matters, Hon'ble SAT vide its interim order has kept the directions passed in the SEBI order in abeyance. SAT, in an appeal filed by the Company also stayed the penalty levied by SEBI in relation to Adjudication order passed by it on preferential access to tick by tick data at the Company's Colocation facility.

While the Company's appeal in respect of the colocation matter has been heard by the Hon'ble SAT and the same is reserved for orders, the company has, in the interim, filed an application with Hon'ble SAT to permit withdrawal of the amount transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues

Notes to the financial statements for the year ended March 31, 2021

emanating from its co-location facility to the separate bank account going forward. The hearing for the same is scheduled on May 17, 2021.

The Company believes that it has strong grounds to contest each of the above orders including monetary liability (including from completed / pending adjudication proceedings) passed by SEBI Accordingly, no provision for any liability in this regard is considered necessary in the financial results as of and for the year ended March 31, 2021.

Summary of the above earmarked investments, bank and other balances

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Debentures	-	313.40
Mutual Funds	2,452.99	2,113.58
Taxfree bonds	701.09	169.65
Taxable bonds	485.12	-
Government Securities	544.65	-
Bank deposits and Inter corporate deposits	1,534.31	312.45
Bank balance	0.34	3.42
Receivable on sale of investment	-	179.19
Trade Receivables	311.29	188.54
Amount relates to investments matured pending transfer to colocation bank account	17.14	8.63
Total	6,046.93	3,288.86

- (b) The Company is 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. The Company has recently concluded the arguments on merits before SEBI in this matter and order of SEBI is awaited. SEBI has not indicated any specific measure or direction in respect of monetary liability in the matter. In view of the same, no provision is presently made/determinable in these financial results.
- (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 has preferred an appeal against the SEBI order challenging the findings and the said penalty levied by SEBI. SAT has stayed the effect and operation of the order during the pendency of the appeal, which is yet to be heard on merits. The Company believes that there exists legal and equitable grounds in its appeal before SAT. 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, 2021.
- (d) The Company is in receipt of SEBI Adjudication Show Cause Notice dated January 07, 2021 with respect to the default of Kary Stock Broking Limited, erstwhile trading member registered with the Company. The Company has filed its detailed response with SEBI on February 23, 2021 and the matter is yet to be heard. The Company is of the view that pending conclusion of this matter with SEBI, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2021.
- (e) SEBI issued Adjudication Show Cause Notice on March 26, 2021 to the Company with respect to Straight Through Processing (STP) centralised hub services provided by the Company. The Company has filed the settlement application in terms of the SEBI Settlement regulations. Pending response from SEBI on the said matter, a reliable estimate of the obligation in respect of this matter cannot be presently made and therefore no provision to this effect has been made in the financial statements as of and for the year ended March 31, 2021.

Notes to the financial statements for the year ended March 31, 2021

- (f) On February 24, 2021, the Company's trading system halted due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of the Company, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. The Company has submitted a root cause analysis of the incident to SEBI.
- (g) Additionally, 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.
- (h) 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, 2020 : ₹ 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.
- (i) 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, 2021.

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: ₹ 451.13 Crores (March 31, 2020: ₹ 456.48 Crores) along with interest thereon.
- (b) Fringe Benefit Tax: ₹ NIL (March 31, 2020 : ₹ 2.21 Crores)
- (c) Wealth Tax: ₹ 0.09 Crores (March 31, 2020: ₹ 0.09 Crores). Wealth Tax liability includes ₹ 0.02 Crores (March 31, 2020: ₹ 0.02 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court.
- (d) Service Tax & MVAT: ₹ 77.91 crores (March 31, 2020: ₹ 51.96 crores) along with penalty thereon.
- (e) Securities Transaction Tax: ₹ NIL (March 31, 2020: ₹ 6.74 Crores).
- (f) Bank guarantees ₹ 1 crore (March 31, 2020 : ₹ 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, wherever 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 of the Company.

- (iii) Other claims against the company not acknowledged as debts amounts to : ₹ 6.54 Crores (March 31, 2020 : ₹ 6.54 Crores).

Notes to the financial statements for the year ended March 31, 2021

32 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Trade Payables includes ₹ 1.14 Crores (March 31, 2020: ₹ 0.83 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.

Description	(₹ in Crores)	
	31.03.2021	31.03.2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.14	0.83
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	-	-

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-1/1(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 (a) Gross amount required to be spent by the Company on Corporate Social Responsibility activities during the financial year ended March 31, 2021 is ₹ 32.97 crores. (Refer note b.2) (March 31, 2020: ₹ 30.84 Crores).

(b) Disclosures in relation to corporate social responsibility expenditure:

Particulars	(₹ in Crores)	
	31.03.2021 In cash	31.03.2020 In cash
(i) Construction / acquiring of any asset	-	-
(ii) Contribution to NSE Foundation towards CSR	12.97	30.84
(iii) Contribution to PM Cares Fund	10.00	10.00

b. 1) The Company has adjusted the Contribution of ₹ 10 Crores given to PM Cares Fund in FY 19-20 against the amount required to be spent for current financial year.

Notes to the financial statements for the year ended March 31, 2021

35 LEASE

(i) Amounts recognised in balance sheet

The balance sheet includes the following amount relating to leases:

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Right-of-use-assets		
Land	74.72	76.00
Buildings	18.88	22.60
Total	93.60	98.60

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Lease liabilities		
Current	4.33	4.08
Non Current	29.14	31.61
Total	33.47	35.69

(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	31.03.2021	31.03.2020
Depreciation charge of Right-of-use assets		
Buildings	3.70	3.74
Land	1.30	1.30
Total	5.00	5.04

(₹ in Crores)

Particulars	31.03.2021	31.03.2020
Interest expenses	3.84	4.03
Total	3.84	4.03

(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)

Net debt as on April 1, 2019	37.73
Add: Interest expense	4.03
Less: Cash flows	(6.07)
Net debt as at March 31, 2020	35.69
Add: Interest expense	3.84
Less: Cash flows	(6.06)
Net debt as at March 31, 2021	33.47

Notes to the financial statements for the year ended March 31, 2021

NOTE 36 - OTHER EVENTS AFTER THE REPORTING PERIOD

Dividend:

The Board of Directors have recommended the payment of final dividend of ₹ NIL per fully paid equity shares (FV ₹ 1 each) (March 31, 2020 : ₹ 11/- per fully paid equity share (FV ₹ 1 each)). As indicated in note 31(i)(a), pursuant to the SEBI directives in the colocation matter, the Company is required to transfer all revenues emanating from the colocation facility to a separate bank account. Accordingly, as at March 31, 2021, the total amount in such restricted / earmarked investments and bank balances (including income accrued thereon) stood at ₹ 6,046.93 crores, which includes an amount of ₹ 2,758.07 (along with income accrued thereon) transferred/accrued to/in these accounts during the current year ended March 31, 2021. Further, as indicated in note 43, in view of recent member defaults and subsequent SEBI directives for augmenting the IPFT corpus, during the current year ended March 31, 2021, the Company has also contributed/provided ₹ 1,822.05 crores towards NSE IPFT. In view of the above, the Company does not have sufficient free cash at the current time to pay dividend after providing for operational and business needs. However, in accordance with the Company's dividend policy, the Company is committed to paying dividends to its shareholders and the Board of Directors would take an appropriate decision in this regard once the colocation amount becomes available.

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)
As at 31.03.2021					
<u>Financial Assets</u>					
Trade Receivables	787.45	-	787.45	-	985.71
As at 31.03.2020					
<u>Financial Assets</u>					
Trade Receivables	526.08	-	526.08	-	1,005.18

NOTE 38 - FAIR VALUE MEASUREMENTS

Financial Instruments by category

(₹ in Crores)

Particulars	31-03-2021			31-03-2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	126.95	-	-	122.43	-
Debentures	-	-	-	-	-	390.80
Taxable Bonds	-	-	485.12	-	-	141.76
Taxfree Bonds	-	-	701.09	-	-	705.62
Fixed Deposits with Banks	-	-	1,480.66	-	-	253.73
Deposits with financial institutions	-	-	308.95	-	-	311.01
Government Securities	-	544.65	-	-	487.43	-
Mutual Funds	4,427.29	-	-	2,703.56	-	-
Exchange Traded Funds	-	-	-	221.43	-	-
Trade receivables	-	-	834.82	-	-	550.92
Cash and Cash equivalents including other bank balances (Refer note 10.1)	-	-	58.46	-	-	68.85
Security deposits	-	-	2.57	-	-	2.73
Other receivables	-	-	14.83	-	-	242.74
Total financial assets	4,427.29	671.60	3,886.51	2,924.99	609.86	2,668.16
Financial liabilities						
Deposits	-	-	1,047.51	-	-	1,033.12
Trade Payables	-	-	185.64	-	-	126.21
Other liabilities	-	-	184.87	-	-	252.89
Total financial liabilities	-	-	1,418.03	-	-	1,412.22

Notes to the financial statements for the year ended March 31, 2021

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 that provides assurance 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 companies 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, 2021 and 31st March, 2020. 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
As at March 31, 2021				
Trade payables	185.64	185.64	-	185.64
Deposits	1,047.51	1,047.51	-	1,047.51
Lease liabilities	33.47	6.06	153.95	160.01
Other liabilities	184.87	171.92	12.96	184.87
As at March 31, 2020				
Trade payables	126.21	126.21	-	126.21
Deposits	1,033.12	1,033.12	-	1,033.12
Lease liabilities	35.69	6.06	160.01	166.07
Other liabilities	252.89	252.89	-	252.89

Notes to the financial statements for the year ended March 31, 2021

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
1. PRICE RISK		
<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 2021, the exposure to price risk due to investment in mutual funds amounted to ₹ 4427.29 crores (March 31, 2020 : ₹ 2703.56 crores).</p> <p>At 31st March 2021, the exposure to price risk due to investment in exchange traded fund amounted to ₹ NIL (March 31, 2020 : ₹ 221.43 crores).</p> <p>At 31st March 2021, the exposure to price risk due to investment in equity instruments amounted to ₹ 126.95 crores (March 31, 2020 : ₹ 122.43 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. The Treasury department maintains a list of approved financial instruments. The use of any new investment must be approved by the Chief Financial Officer.</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 ₹ 11.07 crores gain in the Statement of Profit and Loss (2019-20: ₹ 6.76 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p> <p>For exchange traded fund, a 10% increase in prices would have led to approximately an additional ₹ NIL gain in the Statement of Profit and Loss (2019-20: ₹ 22.14 crores gain). A 10% 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 ₹ 12.70 crores gain in the Statement of Profit and Loss (2019-20: ₹ 12.24 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>

Notes to the financial statements for the year ended March 31, 2021

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
2. INTEREST RATE RISK		
<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, 2021, the exposure to interest rate risk due to investment in government securities amounted to ₹ 544.65 crores (March 31, 2020: ₹ 487.43 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 use of any new investment must be approved by the Chief Financial Officer.</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 ₹ 7.68 crores loss in the Statement of Profit and Loss (2019-20: ₹ 7.98 crores loss). A 0.25% decrease in interest rates would have led to an equal but opposite effect.</p>

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, our assessment of credit risk is low. Accordingly, our provision for expected credit loss on trade receivable is not material.

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, our assesment for credit risk is low. Accordingly, our provision for expected credit loss on other financial assets is not material

The Company's maximum exposure to credit risk as at March 31, 2021 and 2020 is the carrying value of each class of financial assets as disclosed in note 4, 5, 7, 8, 9 and 10.

D EXPECTED CREDIT LOSS ON FINANCIAL ASSETS

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.

Notes to the financial statements for the year ended March 31, 2021

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 profit, 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 our 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. We consider 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 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 investor, 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. Company 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 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 networth of ₹ 100 crores at all times. The Company is in compliance with this requirement.

- 41** Based on the Company's current assessment, the impact of coronavirus (COVID-19) on its operations and the resultant financial performance is not likely to be significant. The Company has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial statements. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.
- 42** During the financial year 2019-20, the Company had acquired NOW platform together with the business and certain employees (effective October 1, 2019) from its subsidiary – NSE Data & Analytics Ltd for cash consideration amounting to ₹ 37 crores. This transaction had been accounted as a common control business combination as per the Appendix C "Business combination of entities under common control" under Ind AS 103 "Business Combinations".
- 43** 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 registered Trust created for the purpose. The Investor Protection Fund Trust is managed by Trustees comprising of Public representative, investor association representative, Board Members and Senior officials of the Exchange. The NSE's Investor Protection Fund Trust (NSE IPFT), based on the recommendations of the Member and Core Settlement Guarantee Fund Committee compensates the investors to the extent of funds found insufficient in Defaulters' account to meet the admitted value of claim, subject to a maximum limit of ₹ 25 lakhs per investor per defaulter/expelled member in respect of claims arising on expulsion/declaration of default of members. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI has comprehensively reviewed the existing framework in consultation with Stock Exchanges. Basis such review, SEBI decided to augment IPF Corpus and assessed required IPF corpus to be ₹ 1,500 crores. The Company was directed to transfer the requisite amount to bring the Corpus to ₹ 1,500 crores. Accordingly, the Company has paid ₹ 1,701 crores to NSE IPFT during the year ended March 31, 2021. Additionally, the Company has also provided ₹ 121.05 crores in relation to the investors' claims related to defaulted members, which are yet to be processed by IPFT. This provision has been estimated by applying past historical experience of claims admitted and paid to

Notes to the financial statements for the year ended March 31, 2021

the outstanding claims through the date of approval of these financial statements including the maximum amount that can be paid to each investor in accordance with bye laws of NSE IPFT. Accordingly, amount of ₹ 1,822.05 crores has been recognised as an exceptional expense in the statement of profit and loss for the year ended March 31, 2021 considering the materiality of the amount, nature and incidence of these transactions.

- 44** SEBI vide circular dated January 8, 2021 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 an inter-operable scenario. Accordingly, Core SGF contribution of ₹ 69.07 crores payable to India Clearing Corporation Limited (ICCL) has been reversed during the year ended March 31, 2021, and the same has been paid by NSE Clearing Ltd to ICCL.
- 45** The Indian Parliament has approved the Code on Social Security, 2020 impacting employee remuneration and welfare benefits. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company will assess the financial impact, if any, of the Code when it becomes effective and will record necessary adjustments in the financial statements.
- 46** In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2021 and March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021 and March 31, 2020.
- 47** For the year ended March 31, 2021 and March 31, 2020, the Company is not required to transfer any amount into 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

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Director

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 11, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Addendum to the Notes to Standalone financial statements

for the year ended March 31, 2021

NOTE 48

This note is supplemental to and should be read in conjunction with, the accompanying notes forming integral part of the standalone financial statements for the year ended March 31, 2021 approved by the Board of Directors at its meeting held on May 11, 2021.

Note 36(i) of the standalone financial statements is referred to, where the Board of Directors did not propose a final dividend for FY 2020-21 due to insufficient free cash after providing for business and operating needs. The Company had made an application to the Hon'ble SAT for withdrawal of the colocation money held in the separate account, including discontinuing of further transfer of future revenues to the separate account as indicated in note 31(i)(a).

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, 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 amount of ₹ 420 crores into an interest bearing account with SEBI which has been remitted by the Company on June 17, 2021.

In view of the above, the Board of Directors at its meeting held on June 18, 2021 have recommended the payment of final dividend of ₹ 24.75 per fully paid equity shares (FV ₹ 1 each) (Previous Year FY 2019-20 : Final Dividend of ₹ 11 per fully paid equity share (FV ₹ 1 each) and Interim Dividend of ₹ 9.80 per fully paid equity share (FV ₹ 1 each)). Accordingly, Note 36(i) of the standalone financial statements stands amended.

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

Director

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : June 18, 2021

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Disclaimer

This document contains statements about expected future events and financial and operating results of the Company, which are forward-looking. By their nature, forward-looking statements require the 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 2020-21.



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