



NSE

National Stock Exchange of India Limited

A flourishing India



ANNUAL REPORT 2021-2022



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A Flourishing India.

In a post-pandemic world, marked by the need to build secure supply chains and broad-base country risks, a new future has emerged for India.

This new India is emerging as a dependable vendor-partner to the world.

This will translate into enhanced citizen prosperity, which could enhance investable surpluses.

This could also enhance capital mobilisation and investment needs and opportunities.

At NSE, we see ourselves as a fund mobilisation gateway for India's vibrant corporate sector, playing a vital role in the globalisation and success of India and Indians.

NSE. Enjoys leadership among global exchanges by the volume of derivatives traded.

A shining instance of an Indian technology-driven client-facing enterprise figuring among the world's largest exchanges across a range of parameters.

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

39%

National Stock Exchange of India

17%

B3 - Brasil Bolsa Balcão

13%

Iran Fara Bourse Securities Exchange

4%

Korea Exchange

4%

Nasdaq - US

4%

Cboe Global Markets

4%

Moscow Exchange

4%

Borsa Istanbul

3%

Deutsche Boerse AG

2%

MIAX Exchange Group

3%

NYSE

NSE. More than just an Exchange.

NSE is an institution of national importance, critical national infrastructure and the pride of India.







NSE operates
a market
ecosystem
to bring in
transparency
& efficiency.
Our robust
state-of-the-art
technology
platform offers
high levels of
robustness, safety
and resilience
for trading and
investment
opportunities
across all asset-
classes and for
all categories of
investors.



NSE is an institution of national importance and of international stature. A trusted market infrastructure institution with high standards of corporate governance. NSE is focused on investor protection and disciplined development of the Indian capital market landscape.



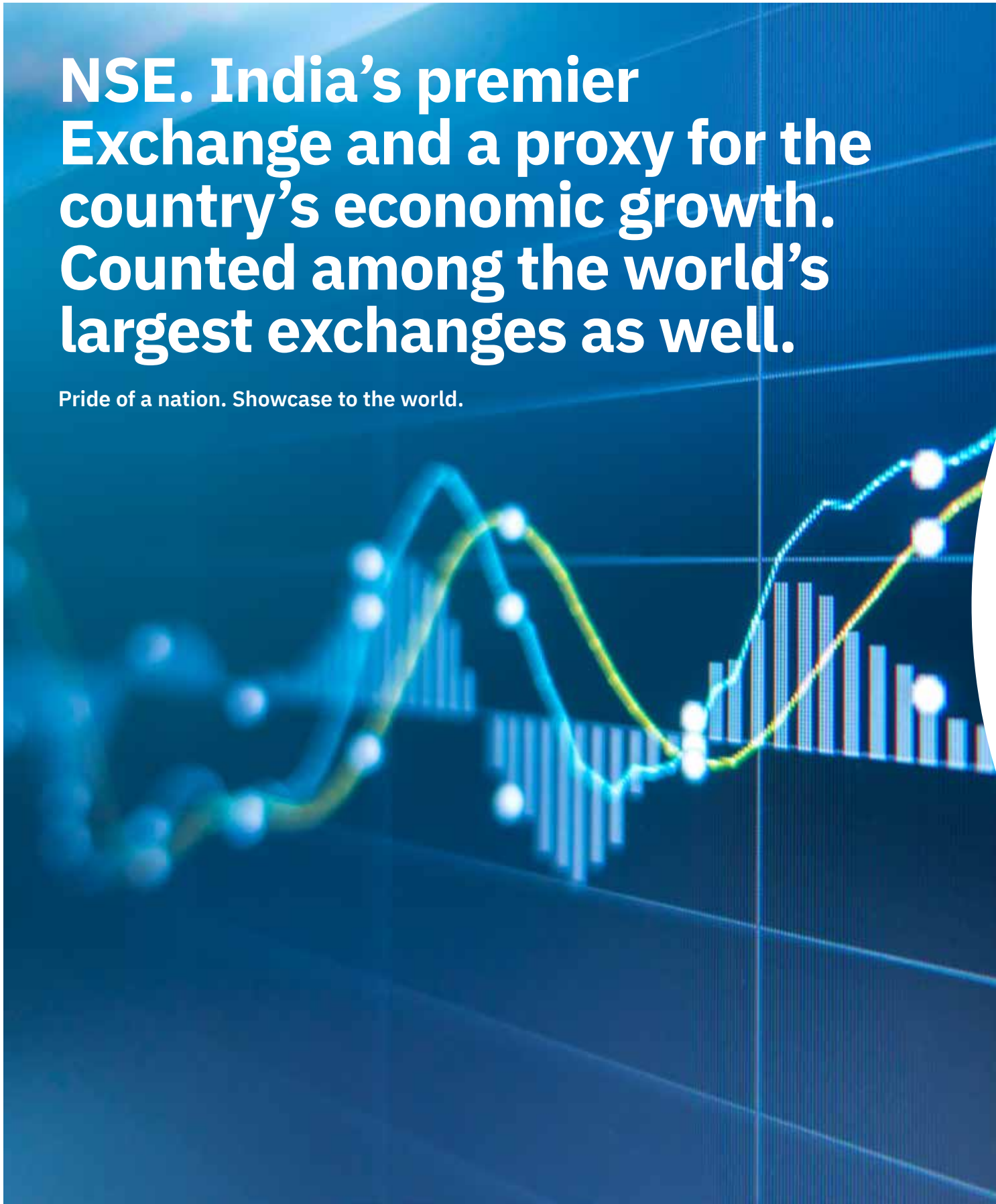
**NSE.
Indian origin.
Global leader.**

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



**NSE. India's premier
Exchange and a proxy for the
country's economic growth.
Counted among the world's
largest exchanges as well.**

Pride of a nation. Showcase to the world.





Corporate snapshot

NSE is India's largest stock exchange.

Comprises more than 2,000 listed companies.

These companies span a range of sectors.

A preferred designated stock exchange for some of the largest Indian companies.

More than an exchange; a proxy for the country's economic growth.



Background

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



Our ethos

Vision

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

Purpose

Committed to improving the financial well-being of people.

Values

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



Scale

The NSE is India's largest stock exchange, with over 2,000 listed companies. For some of the largest companies in the country, NSE is a preferred designated stock exchange.



Location

NSE is head-quartered in Exchange Plaza, Mumbai, with client-facing regional offices in Mumbai, Kolkata, Delhi, Chennai and Ahmedabad. NSE has 25 locations where business is undertaken by the company, including offices in Indore, Kanpur, Pune, Jaipur, Cochin, Hyderabad, Bangalore, Patna, Lucknow, Vadodara, Raipur, Jammu, Shimla, Panjim, Ranchi, Guwahati, Chandigarh, Bhubaneshwar and Dehradun.



Technology

NSE professes a culture of innovation and proactive technology investment. 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. NSE is a front line regulator with a focus on disciplined market development, market integrity and investor protection.



Market share

NSE commenced operations in 1994 and enjoyed a leading market share (by total turnover) of 93% in the Equity Cash market, 100% in Equity Futures, 100% in Equity Options, 70% in Currency Futures and 95% in Currency Options for fiscal 2022, based on premium value.



Service offerings

NSE offers a 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 oversees compliances by trading cum

clearing members as well as listed companies in line with SEBI and Exchange 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.



NSE's subsidiaries

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 NSEI. 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 subsidiaries, to undertake CSR activities for the NSE Group.

Aujas Cybersecurity Limited (Aujas): A wholly owned subsidiary of NSEIT. 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 NDAL, which offers real-time financial data and various analytical tools on fixed income, foreign exchange, equities, commodities and macroeconomy through the terminal and web-based user access (Terminal Business) to banks, asset managers, regulators and corporates, etc. in India.

CXIO Technologies Private Limited (CXIO):

A wholly owned subsidiary of NSEIT, which offers cloud consulting, multi cloud aggregation, cloud back-up & disaster recovery (DR), Devops as a service. It additionally offers cloud migration services not only to the public cloud but also on private cloud.

TalentSprint Inc:

TalentSprint Inc is a wholly owned subsidiary of TalentSprint Private Limited which is based out of US.



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 and STRIPS.</p> <p>Services include primary market issuance (IPO), new fund offer (NFO) platform and offer for sale (OFS).</p>	Foreign portfolio investors (FPIs), domestic institutional investors, proprietary desks and retail investors.
Debt Segment	<p>Products include Corporate bonds, Government securities, Commercial paper, commercial debt, convertible and non-convertible debt instruments. Service include request for quote platform for debt securities (RFQ), reporting platform for debt securities (CBRICS), Negotiated Trade Reporting Platform, Non-competitive bidding platform for Government securities (G-sec), Treasury bills (T-bill) and State Development Loans (SDL), primary market for debt securities, order collection for sovereign gold bonds (SGB) 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	Equity derivatives including index derivatives and single stock derivatives, Currency derivatives including FCYINR and cross currency pairs, Interest rate derivatives, Commodity derivatives including bullion, energy and base metals.	Foreign portfolio investors (FPIs), domestic institutional investors, proprietary desks, retail investors, corporates, etc.
Data and information vending	NSE's Real time Data Feed, 15-Min delayed data, 5 minutes, 2 minutes and 1-minute Snapshot Data, End of Day data, Historical Trade & order, Historical Trade data, Corporate Data, Bond Valuation, Indicative NAV for ETFs, Analytical products using trading data, NSE Fixed In (fixed income analytical platform) etc.	Data vendors, researchers, TV channels, financial websites, charting softwares, mobile applications etc.
Index services	Equity Indices (flagship indices such as Nifty 50, Nifty Bank etc.), ESG Indices, Debt Indices, Hybrid indices, Customised indices, index constituent data subscription etc.	Asset Management Companies (AMCs), ETF issuers, insurance companies, non-banking finance companies (NBFCs), investment banks, stock exchanges, portfolio management services (PMS), alternative investment funds (AIF) etc.

April 13, 2021

NSE launches cloud-based research facility
NSE Data Room (NDR)

September 14, 2021

NSE Indices launches Nifty Midcap Select Index

October 11, 2021

NSE introduces trading of weekly futures on US Dollar - Indian Rupees currency pair

Milestones

February 22, 2022

NSE Indices launches Nifty Transportation & Logistics Index

March 08, 2022

NSE IFSC becomes the first international exchange at IFSC to physically settle US stocks

March 09, 2022

NSE Indices launches Nifty SDL Plus AAA PSU Bond Dec 2027 60:40 Index

**October 25,
2021**

NSE registered investor base surpasses 5 Crs. unique investors

**December 14,
2021**

NSE Indices launches Nifty India Digital Index

January 05, 2022

India celebrates Silver Jubilee of NIFTY 50 Index and 20 Years of Derivatives in Indian Capital Market

**March 10,
2022**

NSE Indices launches Nifty SDL June 2027 Index

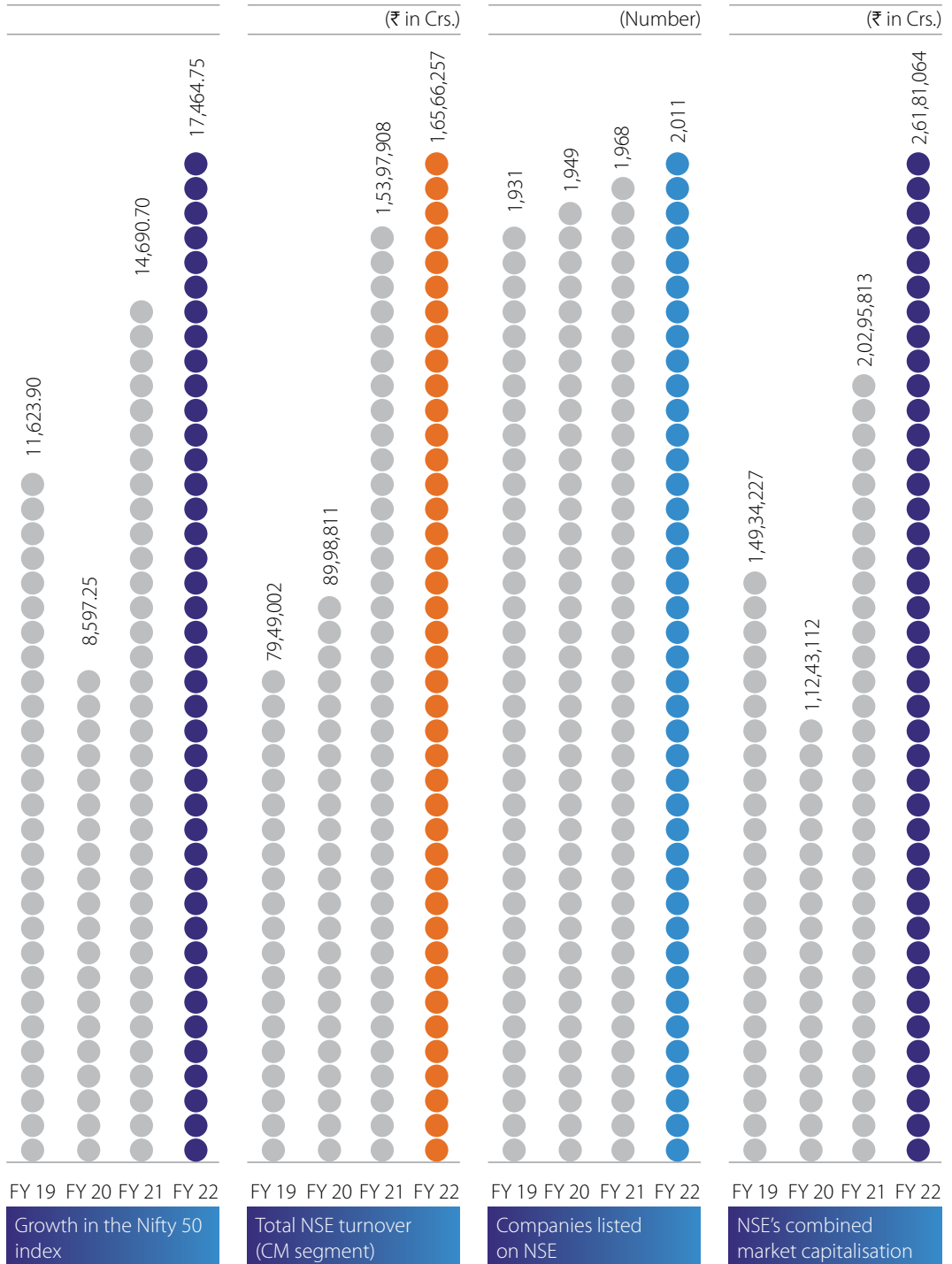
March 12, 2022

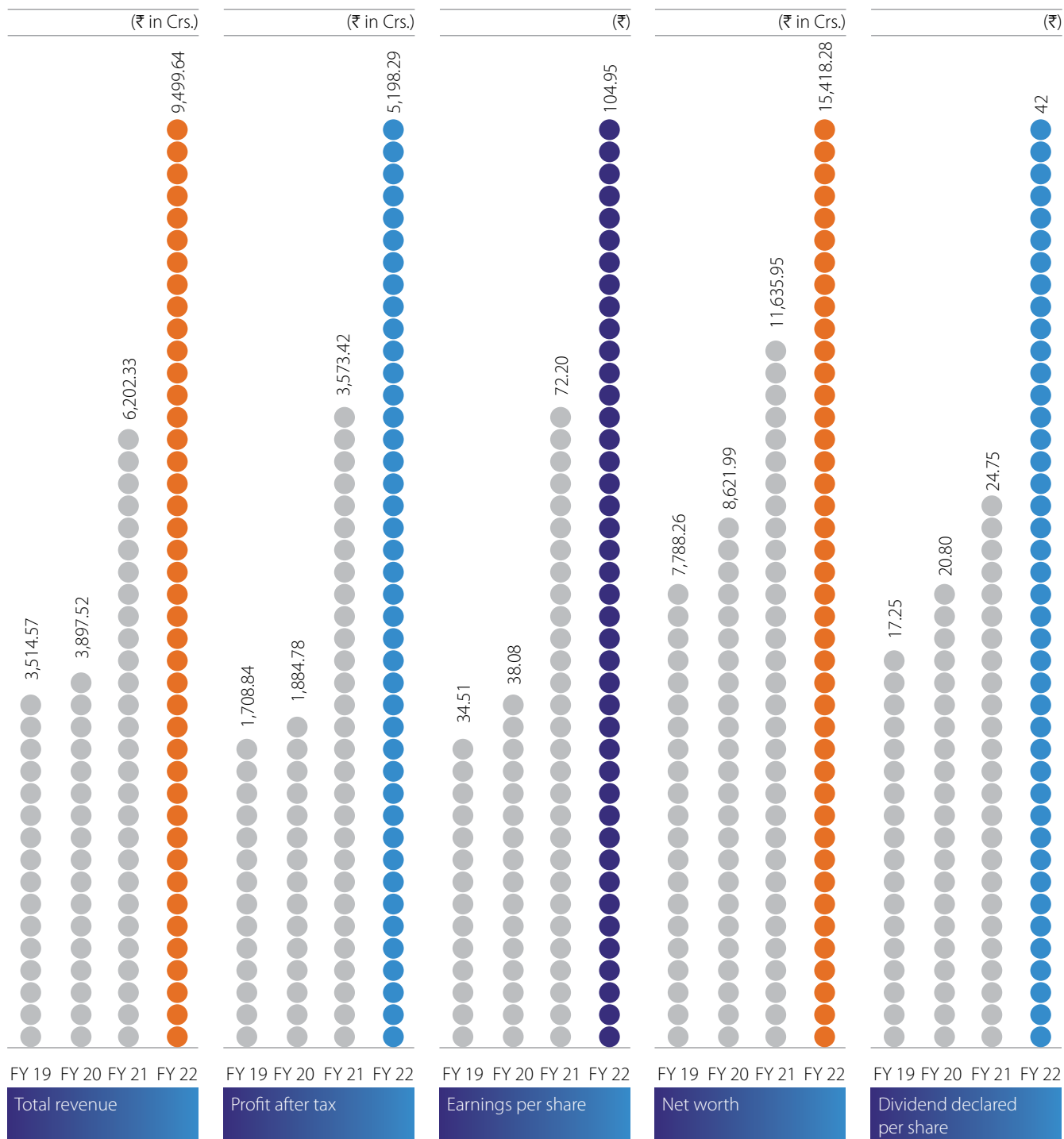
NSE and IBSA to come together to set up Domestic Bullion Spot Exchange

**March 16,
2022**

NSE Data launches Fixed Income Analytics Platform (FixedIn)

Our growth over the years





Chairman's overview



The year gone by has been an eventful one from the economy as well as market perspective.

Fading concerns on the COVID front, thanks to rapid vaccinations, and consequent return to normalcy resulted in a strong rebound in all major economies in 2021, further aided by strong fiscal and monetary policy support. This, however, was pulled down by persistent supply-side bottlenecks—that got accentuated by the Russia-Ukraine conflict later in the year, as well as China's "Zero-COVID" policy. Sharp spike in inflation to record-high levels forced central banks to withdraw policy support towards the end of 2021.

India has been no different. The economy recovered meaningfully and grew by 8.7% in FY 2021-22 following a steep contraction in the previous year. This was despite the deadlier second wave of COVID-19 that resulted in a high number of casualties, reflecting the impact of continued policy support, targeted measures to curb infections and rapid pace of vaccinations. In fact, India was among the fastest growing economies last year that demonstrated its strength and resilience.

Financial markets are the backbone of a country's economic development. It's gives me immense pleasure to share with you that NSE has maintained its stance as a leader both domestically as well as globally for yet another year. NSE continued to be the largest derivatives Exchange in the world based on number of contracts traded for the third year in a row. In the capital markets segment, NSE maintained its position as the fourth largest exchange globally in terms of number of trades.

NSE maintained its leadership position in domestic markets with a 93% market share in the Capital Market segment and near-100% share in the Equity Derivatives segment. Market share in the Currency Options segment moved up nearly eight points higher to 95%, while that in the Currency Futures segment remained robust at 70% in FY 2021-22.

Domestic markets echoed macro trends and ended the year with strong returns, outpacing India's nominal GDP CAGR over the last three-year period. The Indian benchmark NIFTY 50 Index, that celebrated its silver jubilee last year, rose 19% in FY 2021-22, after a sharp, 71% return in the previous financial year. Its performance was meaningfully higher than the MSCI Emerging Market and Developed Markets indices.

Passive investment avenues have gained further traction by the investor community in India. Total Assets under Management of domestic ETFs (equity and debt) and index funds linked to Nifty indices grew by strong 58% to ₹3.5 Trn in FY 2021-22. Importantly, 62 out of 79 ETFs and index funds launched in FY 2021-22 were linked to Nifty Indices.

Following record-high foreign portfolio inflows into Indian capital markets in FY 2020-21, the FY 2021-22 saw foreign capital outflows, as adverse global developments in the second half of the year weighed on investors' risk appetite. That said, it is heartening to note that large foreign outflows last year were more than made up by strong participation by domestic institutional as well as retail investors. Domestic institutional investors injected nearly ₹2.2 Trn into Indian equities in the fiscal year gone by, aided by a surge in retail inflows via the SIP route. Direct retail participation, that picked up meaningfully after the onset of COVID-19, remained strong during last year as well, aided by continued

addition of new investors. This, in turn, led to further rise in market turnover on top of a steep jump in the previous year. Average daily turnover in equity cash and derivative markets (based on premium) rose by ~8% and 20% respectively in FY 2021-22.

It gives me immense pleasure to convey activity in the primary market picked up meaningfully in FY 2021-22 after a pandemic-induced lull performance in the previous year. Capital raising via the equity route through Initial Public Offerings (IPOs) jumped more than three times in value terms to ₹1,260 Bn in FY 2021-22. Fund raising via privately placed debt securities also remained strong at ₹3,589 Bn.

NSE has always endeavoured to ease capital raising for smaller organisations and provide a conducive environment to retail investors to access alternative investments. Our SME EMERGE platform not only supports SMEs to effectively capitalise on opportunities present in the capital market, but also provides them quick access to financing. We conduct several capacity building programs including workshops and trainings through the year to promote awareness and extend support to SMEs to build the overall ecosystem. I am happy to share with you that we collaborated with the State Governments of Chhattisgarh and Telangana in FY 2021-22 to organise awareness drives to guide and handhold corporates on the fund raising and listing process.

NSE IFSC, a wholly owned subsidiary of NSE, undertook a series of measures in FY 2021-22 to enhance product offering, improve liquidity, widen participation, and strengthen risk management. We introduced trading in foreign stocks through Unsponsored Depository Receipts on the NSE IFSC last year, that would allow retail investors to transact in global stocks in an easy and convenient manner. The



Total Assets under Management of domestic ETFs (equity and debt) and index funds linked to Nifty indices grew by strong 58% to ₹3.5 Trn in FY 2021-22. Importantly, 62 out of 79 ETFs and index funds launched in FY 2021-22 were linked to Nifty Indices.

NSE IFSC-SGX Connect, the foundation of which was laid in August 2019 via collaboration between NSE and SGX to bring together international and GIFT City participants to widen liquidity pool for Nifty products, is expected to go live in FY 2022-23. It will go a long way in developing and strengthening the capital market ecosystem in GIFT City.

Following the announcement of setting up of the India International Bullion Exchange (IIBX) at the IFSC, GIFT City, in the 2020 Union Budget, NSE along with other prominent Market Infrastructure Institutions (MIIs) set up the India International Bullion Holding Company (IIBH) in FY 2021-22. The IIBX is expected to provide a comprehensive market ecosystem for precious commodities, address challenges and eliminate market inefficiencies.

NSE has always remained at the forefront of promoting high standards of governance. I am delighted to share with you that we launched a one-of-its-kind initiative called NSE Prime. It is a framework that allows companies to sign up voluntarily by complying with higher corporate governance standards.

Technology has always been the edifice on which the NSE infrastructure stands. Meeting the needs of a rapidly growing financial sector, including investors, intermediaries, and issuers, has been feasible only through a relentless focus on speed, latency, resiliency, high availability and security. In addition to the above, a focus on new-age solutions has led to a concerted move towards cloud computing and enterprise-based digital solutions, and enhanced cyber-security. In this vein, following up on the acquisition of Aujas Technologies, NSEIT is now the majority shareholder in Mumbai-based CXIO Technologies Private Limited, or CloudX. Apart from offerings in cloud consulting, multi-cloud aggregation,

cloud-backup, disaster recovery, and DevOps as a service, CloudX also provides migration services to both public and private clouds.

NSE has been the first among the MIIs to fully implement the Disaster Recovery 45 (DR-45) protocol mandated by SEBI, allowing a switch-over of operations from the primary to the DR site within 45 minutes.

NSE continued its efforts to widen its product offering with an aim to develop stronger, more inclusive, and transparent market infrastructures for different asset classes. During FY 2021-22, NSE launched trading in Separate Trading of Registered Interest and Principal Securities (STRIPS) in its capital market and debt segments. It also launched weekly futures on the US Dollar-INR pair to complement the already available weekly options on this underlying.

As a front-line regulator of the securities market, NSE is entrusted with an important responsibility of setting out and implementing rules and regulations for each of the trading segments. Towards this, we have continued our efforts to strengthen supervision and oversight of trading members and our surveillance efforts to protect investors and market integrity. We have also enhanced our review of listed companies from a governance and compliance standpoint.

Creating awareness and understanding about financial markets and investment opportunities has remained a priority area for NSE. Towards this, NSE regularly undertakes investor awareness programs via a blend of physical sessions and webinars to educate investors about the benefits and risks associated with investments in capital markets. During FY 2021-22, a total of 3,890 such programs were conducted covering nearly

three lakh participants. Additionally, NSE also conducts focused investor campaigns with an aim to cover specific themes. NSE actively participated in the World Investor Week 2021 held from November 22-28, 2021 and organised a host of awareness and knowledge building sessions during the week across India. Use of social media platforms, particularly during the pandemic time, has enabled NSE to significantly strengthen its outreach to a much wider audience.

NSE also proactively disseminates all necessary and relevant information to investors via SMS and emails with regards to their trades and fund balances as well as regularly sends them cautionary and advisory messages to help them make informed investment decisions. We have also continued to take measures to streamline and smoothen grievance redressal mechanisms. All this helps us ensure investors hold on to the trust they have in the market ecosystem.

NSE Clearing Limited (NCL), the wholly owned subsidiary of NSE, is responsible for clearing and settlement of all securities and instruments traded on the exchange. It has continued the track record of successfully completing all settlements in a timely manner across segments, with a Core Settlement Guarantee Fund of more than ₹3,500 Crs. as of March 31, 2022. NCL also moved from T+2 settlement cycle to T+1 during the year for select securities in the equity segment. This will help reduce the settlement risk, release funds faster and thereby increase liquidity in the market.

NSE's strength as an institution is also reflected in its robust financial performance. The consolidated revenue of NSE Group for FY 2021-22 stood at ₹9,500 Crs., implying a Y-o-Y growth of 53%. This came on top of a 59% increase in the previous financial year.

The Group's EBITDA grew by 55% to ₹7,251 Crs., with a robust EBITDA margin of 76%. Net profit after tax grew by 45% to ₹5,198 Crs., with a net margin of 55%. The Board had engaged an external consulting firm to evaluate its risk capital requirement and after providing for that amount, has recommended a final dividend of ₹42/- per share of face value ₹1/- each, 70% increase as compared to previous year.

Besides focusing on maximising value for its stakeholders, NSE has always endeavoured to strengthen its contribution towards the betterment of the society and the environment in which it operates. The institution firmly believes in investing in long-term progressive development of the society. NSE continued its efforts to support the Government in whichever way possible in the nation's fight against COVID-19. Regular vaccination and testing camps were organised within the NSE premises for its employees and their families. NSE Foundation, a CSR arm of the NSE group, carried out 67 projects last year across eight identified focus areas that directly benefited more than 1.2 Mn beneficiaries.

The last few years have been challenging, not just for India but for the entire world. Emerging from the pandemic, high inflation weighs on a nascent recovery. Countries like India remain positioned for growth in an uncertain scenario, thanks to robust economic fundamentals and a conducive policy environment. Indian capital markets have done well in the last two years and have seen rising retail participation. Such trends are likely to stay with the support of enablers like technology and rising incomes.

I would like to thank all the Board members for their valuable inputs and commitment, the Government, regulators, all our shareholders and

other stakeholders for their continued support and confidence in NSE.

NSE's employees have been its strength all through, ensuring continuity through the pandemic and beyond. Markets are a critical infrastructure of the economy, expected to function seamlessly regardless of circumstance. This has been possible only due to the hard work and commitment of our staff. I would like to place on record my sincere thanks and appreciation to all employees of the company.

Let me also take this opportunity to thank our Managing Director and Chief Executive Officer, Mr. Vikram Limaye who completes his five term on July 16, 2022. He has steered the organisation through difficult times. His able stewardship and guidance have ensured NSE is well-positioned for the future through several transformational changes that have been implemented in the last five years relating to governance and controls, regulatory effectiveness, technology investments, business growth and cultural change. We wish him well for his future endeavours.

The last year has been one of both challenges and opportunities, where innovation and resilience have seen the country come out stronger from the pandemic. As its premier MII, the goals for NSE are those of the country—the creation of a safe, inclusive, and vibrant financial ecosystem that facilitates the optimal allocation of capital and savings. NSE thanks you for your continued trust and support.

G. C. Chaturvedi
Chairman



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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 an NCLT / Government appointed Director on the Board of Infrastructure Leasing and Financial Services (IL&FS). He has been associated with your Company since November 08, 2019.



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 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 his MBA. After completing his MBA, he worked on Wall Street in USA for 8 years with Credit Suisse First Boston, involving investment banking, capital markets, structured finance and credit portfolio management before returning to Mumbai in 2004. He has contributed to various committees of the 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 a part of international government delegations for infrastructure and foreign direct investments into India. He was appointed by the Supreme Court of India to the Committee of Administrators for governance and administration of the Board of Control for Cricket in India (BCCI). He is a member of the Board of Directors of the World Federation of Exchanges (WFE) and has also earlier served as Chairman of the Working Committee of WFE.

He completed his Bachelors in Commerce degree 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 drove strategies to establish SBI in leadership position in mobile banking, IMPS, UPI, & Bharat QR., NETC and Metro/Transit solutions, NCMC technology adoption, drove the unique 3-pronged Yono Project which provides omnichannel banking services,

financial superstore, online marketplace, establishing SBI as the largest home loan lender, establishing SBI as the largest auto loan lender and establishing SBI as leading player in the private employer corporate salary space. Ms. Anuradha Rao 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 a 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 many large corporates, focusing on systems improvement with a cost reduction approach.

Earlier, he was associated as a Director with Oil and Natural Gas Corporation Ltd.

(2013-16), IDBI Bank Ltd.(2001-11), LIC Housing Finance Ltd.(2005-15), UTI Bank Ltd.,(presently AXIS Bank) (1999-2004), Member Board of Supervision NABARD (2005-15), Unit Trust of India (UTI) (2002-03), IFCI Ltd. (2008-09), STCI Finance Ltd. (Formerly Securities Trading Corporation of India Ltd.,) (2013-19), AP State Finance Corporation (2009-15), APIDC Ltd. Bombay Stock Exchange etc. and as Chairman of Expert Committee on Urban Co-op. Banks (UCBS) (2002) in A.P. He was appointed for conducting Quality Assurance Audit of Audit Control Systems in the IDBI Bank. He has been associated with your Company since February 17, 2020.



Prof. S Sudarshan

Public Interest Director

Prof. S Sudarshan is a Public Interest Director of your Company. He is presently a professor at Indian Institute of Technology, Bombay. He was a Visiting Researcher at Microsoft Research, Redmond WA, and was also a Principal Investigator (Member of Technical Staff) in the Database Research group at AT&T Bell Laboratories, Murray Hill, New

Jersey. Prof. S Sudarshan has pursued B. Tech (Computer Science) from Indian Institute of Technology Madras, MS (Computer Sciences) from University of Wisconsin-Madison, U.S.A and PhD (Computer Sciences) from University of Wisconsin-Madison, U.S.A. He has been associated with your Company since February 17, 2020.



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 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 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 Grindlays Bank against NHB on the biggest ever securities scam by Harshad Mehta. She pursued her LL.B Degree from University of Mumbai. She also earned her LL.M Degree from Northwestern University, School of Law, Chicago.

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



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 Masters degree in Science from the University of Delhi, New Delhi.

She has been associated with your Company since October 19, 2016.



Mr. Veneet Nayar

Shareholder Director

Mr Veneet Nayar is the founder and chairman of Sampark Foundation, touching the lives of 10 Mn children in rural government schools across 8 states in India. He is the former Vice Chairman and CEO of HCL Technologies and author of the highly acclaimed management book 'Employees First, Customers Second: Turning Conventional Management Upside Down'. In Forbes' 'Heroes of Philanthropy List 2016' Veneet was cited for 'Innovation-led large scale social change'. He was also featured as a 'Global Thinker 2016' by Foreign Policy magazine for 'Unplugging technology so kids can learn'.

An acknowledged management visionary, Veneet architected HCL Technologies' radical transformation that led Fortune magazine to recognise HCL as 'The world's most modern management'. Veneet was also chosen by Fortune Magazine for its first-ever global 'Executive Dream Team' in 2012. Both HCL Technologies and Sampark Foundation's innovative management practices are taught as a case study at the Harvard Business School. He has been associated with your Company since September 20, 2021.

Looking ahead

NSE invested in transformational changes, positioning it ahead of the curve.



Overview



NSE took transformational initiatives across the regulatory and technology fronts to enhance the overall stakeholder experience.

NSE continued to modernise and transform the technology value chain, covering the entire footprint from connectivity, trading, clearing and settlement to surveillance.

With objective of early detection of misuse of the client's assets, various online systems and off-site inspections was developed to generate early warning signals.

NSE deployed artificial intelligence tools to discern manipulative practices like layering and transaction reversal.

NSE enhanced educational campaigns in investor interest, covering malpractices like schemes assuring fixed returns to investors. The exchange initiated mystery shopping to identify persons/entities offering such schemes in addition to scrutinising WhatsApp and Telegram chat rooms to detect

unauthorised or illegal activities.

NSE launched a dedicated 'listing investigation' department to examine probable funds diversion or misappropriation, issues with financial statements and related-party transactions of listed companies. This department also analyses corporate filings, appraising adequacy and accuracy of filings.

NSE continued to invest in technologies, resulting in a capacity to process 3,00,000 order messages per second, a threefold increase in just two years that enabled the exchange to address a sharp increase in order flows since the pandemic outbreak.

NSE plans to move its Data Centre from its Mumbai headquarters to a third-party data centre on the outskirts of Mumbai. NSE plans to revamp its cloud capabilities and improve surveillance systems by employing artificial intelligence tools.

Soul

NSE continued to champion investor service.

The exchange's registered investor base crossed 50 Mn unique investors



Overview

India's capital market is at an inflection point in its endeavour to catalyse India into a US\$5 Trn economy.

NSE achieved a significant milestone in its journey during the year under review when investors registered on its exchange crossed 50 Mn (unique PANs) in October 2021.

While NSE's journey to reach 30 Mn registered investors took several years, the increase from 30 Mn registered investors to 40 Mn registered investors took just 15 months and the next 10 Mn investor registrations got added in less than seven months. The total client codes registered with the Exchange were 8.86 Crs. (clients could register with more than one trading member) by the close of the year under review.

The total dematerialised accounts in India held with two depositories were around 70.2 Mn; these included multiple dematerialised accounts held by a single investor having a unique PAN. An investor can have more than one dematerialised / trading account with different depository participants and trading members, linked to a single PAN.

The journey from 40 Mn unique investors to 50 Mn unique investors took about 203 days; North Indian states contributed 36% of new investor registrations, followed by Western India (31%), Southern India states and Eastern India states accounting for 20% and 13% respectively. At the state level, Maharashtra contributed 17% followed by Uttar Pradesh with 10% and Gujarat with 7% new investor registrations. The top 10 states accounted for 71% of new investor registrations.

The growth in investor registrations was driven by non-metro cities. The cities beyond the top 50 cities accounted for 57% of new investor registrations; cities beyond the top 100 cities contributed 43%, indicating a widening interest in equity markets.

NSE conducted 3,890 Investor Awareness Programs and published educational material on websites and social media. To verify trading activity, NSE offered the trade verification module on its website, where all non-proprietary and non-institutional investors can verify trades executed in their account. Alerts regarding trades executed as well as funds and securities balance are shared with investors on their mobiles and emails.



“NSE’s milestone is the culmination of efforts by the Government, regulators and all stakeholders to provide a product bouquet, simplified client onboarding, investor education and awareness. NSE intends to grow to 100 Mn unique investors in 3-4 years.”

Vikram Limaye,
MD & CEO, NSE

Big numbers

15

Number of months taken by NSE to grow from 30 Mn to 40 Mn registered investors

7

Number of months taken by NSE to grow from 40 Mn to 50 Mn registered investors



NSE's Nifty 50 Index became 25 years old; its derivatives in Indian capital markets reached 20 years

Overview

The Nifty 50 Index was launched on April 22, 1996; it completed a quarter of a century during the year under review.

The Index, which represents the 50 large capitalised and liquid stocks across 13 sectors, grew 15x in 25 years, delivering annualised returns of 11.2% across a quarter of a century.

Nifty 50 Index was the first underlying benchmark on which the first Exchange Traded Fund (ETF) was launched in India. It is also the first Index in NSE's derivatives market.

NSE commenced trading in derivatives with the launch of Index Futures benchmarked to the Nifty 50 Index in June 2000 in the equity derivatives segment. This was followed by the introduction of trading in index Options (also based on the Nifty 50 Index) in June 2001 and options on individual securities from November 9, 2001.

NSE was the largest global derivatives exchange for three consecutive years (2019 to 2021). The Index options contract on the Nifty 50 Index was the largest traded globally for multiple years.

NSE's equity derivatives market is a large liquid market. The availability of derivatives is one of the criteria used by various investors, particularly institutional investors, for the basis of their investment in a security or an asset class in jurisdiction. It provides an effective risk management framework for investors and has propelled growth of the underlying cash equity segment. In 10 years, volumes in the cash equity segment of stocks available in derivatives increased 5.5x, in line with single stock derivatives, which increased 5.4x.



NSE IFSC became the first international exchange at IFSC to physically settle US stocks

Overview

NSE International Exchange (NSEIFSC) launched trading in NSE IFSC Receipts (India's first Un-sponsored Depository Receipts on US Stocks under IFSCA's regulatory sand box framework) in March 2022. This product was a first of its kind, empowering Indian retail investors to trade in global stocks using the LRS route.

NSE IFSC permitted trading in 50 major

US stocks (such as Apple, Alphabet, Amazon, Microsoft, Meta Platforms or Tesla) to be settled on a rolling T+3-day basis through its Clearing Corporation Ltd (NICCL).

NSE IFSC and NICCL's first physical settlement of NSE IFSC Receipts was completed flawlessly in all symbols launched for trading in March 2022. This historic moment marks the beginning of a physical settlement of

US stocks (in the form of Un-sponsored Depository Receipts) in GIFT IFSC.

This is the first time when trading settlement and dematerialised holding, related to an investment in US stocks, was facilitated in GIFT IFSC through the International Depository, making the process seamless for retail investors and aligned with the regulated environment.



NSE launched NSE Prime, deepening the governance movement in India

Overview

NSE launched NSE Prime, a new corporate governance initiative for listed companies that prescribes enhanced governance norms. Listed companies that voluntarily opt to be a part of NSE

Prime will need to comply with pre-defined norms on an ongoing basis, which will be monitored by NSE. This initiative will raise the bar for corporate governance standards in India, enable investors to identify companies, which

have voluntarily signed up for higher standards of corporate governance, broaden the quality of investors in listed companies and strengthen trust in Indian capital markets.



NSE is committed to build a vibrant and resilient capital market. Improved corporate governance, greater transparency and better disclosures will help listed companies build stronger and sustainable businesses. This will help companies and investors, while accelerating market development.

Vikram Limaye,
MD & CEO, NSE



NSE. Making proactive investments to remain a benchmark.

Overview

NSE has invested proactively to build a highly available and resilient pan-India infrastructure to support India's capital market.

NSE's telecommunication network hosts over 3,000 leased lines, connecting markets to more than 4,000 servers, 1,200+ racks, across four data centres with 11,000+ kVA power load.

This infrastructure powers the Indian capital market to serve real time trading order volumes of 2,00,000-3,00,000

orders per second.

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

NSE implemented state-of-the-art cyber security architecture, controls and solutions. During the fiscal year under review, the Company was certified for ISO 27017:2015 for mature practices in cloud security. NSE undertook risk culture initiatives

to enhance its risk and cyber security awareness among employees.

NSE has the capabilities to switch to its DR site in Chennai in 45 minutes in the event of service disruption to enhance operational readiness.

The result is the ability to deliver a robust, resilient, highly available and secure state-of-the-art technology platform to the market.

NSE. Investing in the future through timely acquisitions.



Overview

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.

Cloudxchange.io (majority stake acquired by NSEIT Ltd.) is an emerging leader in the cloud-based services. It is a multi cloud managed services provider i.e. for AWS, Azure, Google and Oracle Cloud. It expanded its offerings to cloud consulting, multi-cloud aggregation, cloud back-up

and disaster recovery, DevOps as a Service and a unified managed service. Cloudxchange.io comprises 250+ Enterprise clients across sectors including BFSI, manufacturing, logistics and government. It delivers customised services, manages complex cloud-based solutions for Enterprise Class Workloads, harnesses the industry’s best practices and provides the right perspective and guidance for every aspect of operations.

Management discussion & analysis



The global economy witnessed a strong rebound in 2021 following its worst recession since the Great Depression in the previous year. The recovery was aided by rapid pace of vaccinations, strong fiscal and monetary policy support and relaxation of pandemic-induced restrictions in several countries, which in turn provided a boost to consumption demand.

On the negative side, a surge in COVID infections related to Delta and Omicron variants and rising inflationary pressures weighed on consumer demand, albeit not as severely as the first wave in 2020. Persistent supply-side bottlenecks continued to hinder

global production and trade. Further, China's decision to tighten regulations across sectors in the second half of 2021 and its zero-tolerance COVID policy adversely impacted global activity in 2021.

The International Monetary Fund (IMF), in the World Economic Outlook (WEO) Update released in April 2022, has estimated global growth at 6.1% in 2021 — the strongest pace of growth in the last 42 years. According to the World Bank, global growth in 2021 is expected to have the fastest post-recession pace of expansion in the last 80 years. The recovery was significantly divergent across advanced and emerging economies, thanks to differences in the pace of vaccinations, policy support and in the repercussions of the pandemic on physical and human capital. According to the World Bank, over 75% of the population in advanced economies had received at least one

dose of COVID-19 vaccine by the end of 2021 as compared to 55% in Emerging Market and Developing Economies (EMDEs) and a mere 8% in low-income countries.

After such a year, the momentum of global economic recovery is expected to drop in 2022, with the IMF projection for global growth pegged at a much lower 3.6% in the April WEO. This is for the back of sustained uncertainty on the pandemic amid emergence of new virus variants, fading policy support, lingering supply-side disruptions, slowdown in China, spiralling inflation and intensifying financial market volatility. A sharp spike in inflation to

record-high levels — a result of demand as well as supply-side factors — led to global central banks such as the US Federal Reserve and the UK's Bank of England withdrawing policy support. The ongoing Russia-Ukraine conflict has further clouded the growth and inflation outlook, adding significant downside risks, given their strong role in global supply chains. For instance, according to the Organisation for Economic Cooperation and Development (OECD), global growth estimates for 2022 could see a dip of more than 100 bps from the pre-conflict projection, while inflation could be higher by at least 250 bps.

Indian economic overview

Following a sharper-than-anticipated slump caused by the COVID-19 pandemic in FY 2020-21, that exacerbated the slowdown that had persisted for the previous four consecutive years, the Indian economy showed signs of normalisation in FY 2021-22. This was aided by a pick-up in vaccinations throughout the year, continued policy support and phased relaxation of pandemic-related restrictions, all of which led to a revival in domestic demand. A deadlier second wave of COVID-19 in early April 2021 led to increased casualties, followed by a relatively muted third wave towards the latter part of the fiscal, posed headwinds to the nascent economic recovery taking shape. Localised and targeted containment measures as opposed to a strict nation-wide lockdown implemented during the first wave were able to contain the damage. Additionally, negative global cues emanating from a surge in crude and commodity prices and supply shortages

weighed on the recovery process.

The Central Statistics Office's (CSO) second advance estimate pegs India's GDP growth at a robust 8.9% in FY 2021-22, as against contraction of 6.6% in the previous year — the first in 41 years. Even as the overall economy is expected to marginally surpass pre-COVID levels in FY 2021-22, recovery has been uneven across sectors. Investment (Gross Fixed Capital Formation) and government consumption were the growth drivers last year, while private consumption remained muted. From a sectorial perspective, growth in FY 2021-22 was led by industry and agriculture, while a low base proved to be of limited help to services, where continued restrictions dragged down a return to normalcy in contact-intensive services like hotels, transport and entertainment.

Rising international commodities led by recovering global demand, persistent supply-side bottlenecks and geopolitical uncertainty translated

into a sharp spike in inflation trajectory in FY 2021-22. The increase was far higher in wholesale prices, even as retail prices remained contained owing to incomplete pass-through of cost-push inflation to consumers. The RBI kept policy rates unchanged through the year and maintained an accommodative stance, committing to revive the economy on a durable basis, while assessing inflationary pressures as transitory in nature. At the same time, it also resorted to gradual withdrawal of excess liquidity from the system as the first step towards policy normalisation.

Easy monetary policy was complemented by sustained fiscal policy support. Better-than-budgeted tax collections, thanks to a faster-than-anticipated economic recovery from COVID-induced disruptions as well as higher excise duty collections, helped the Government step up capital expenditure last year, leading to a fiscal deficit of 6.9% of GDP, 10 bps beyond

the budgeted target.

The Government's pro-growth vision is reflected in the 2022 Union Budget as well which has retained the capex trend with a fiscal deficit of 6.4% of GDP for FY 2022-23. The budget has focused on improving transport and digital connectivity, increasing ease of doing business, encouraging new technologies — including a digital currency this year — and providing a boost to India's manufacturing sector.

Additionally, with an aim to provide targeted support to pandemic-affected sectors, the Emergency Credit Line Guarantee Scheme was extended by another year until March 2023 with an enhanced allocation, earmarked for hospitality and related sectors and MSMEs.

India's external vulnerability increased during the year, with the current account deficit expected to return after a surplus in FY 2020-21 — the

first in 17 years. Apart from rising commodities, the domestic demand recovery added to the move towards the status quo ante. Further, a renewed global risk-off environment triggered by policy divergence across the world, worsening inflation woes, COVID resurgences and geopolitical tensions led to flight of foreign capital away from emerging markets including India to safe-haven assets. All these factors weighed on the INR against a strong USD.

Capital market scenario and its impact on NSE

Following a strong FY 2020-21, equity markets across the world witnessed heightened volatility in FY 2021-22, particularly in the second half. Accelerating pace of vaccinations, robust economic recovery, strong corporate earnings and relaxation of COVID-related restrictions made sure that advanced market equities got off to a solid start to the new fiscal year as well, despite resurgent waves, persistent supply shortages, rising inflationary pressures and consequent worries about premature withdrawal of easy monetary conditions. Emerging equities had a tough start to the year, weighed down by rising infections, laggard pace of vaccinations, dollar strengthening and surging global bond yields.

The global rally, however, lost some footing in the second half accompanied with a surge in market volatility, triggered by regulatory developments in the technology sector and rising stress in the property sector in China. Subsequently, strengthening expectations of a faster-than-expected monetary tightening by the US Fed in the wake of intensifying inflationary pressures and consequent spike in bond yields, followed by the Russia-

Ukraine conflict that accentuated price pressures and supply-side bottlenecks added to the market woes.

Indian equity market moved broadly in tandem with major global equity markets, even as it meaningfully outperformed the broader emerging market pack. This was primarily led by limited economic ramifications of the second and third waves, robust corporate performance, continued policy support and a steady pick-up in the pace of vaccinations. The benchmark Nifty 50 Index ended the year 19% higher, following a 71% return in the previous year. This was significantly higher than the 9% return and 13% loss generated by the MSCI Developed Market Index and MSCI Emerging Market Index respectively. Market turnover also witnessed a modest jump in the financial year, with average daily turnover in equity cash and derivative markets (premium) rising by ~8% and 20% respectively.

Adverse global developments, however, weighed on investors' risk appetite, leading to foreign capital outflows. The fiscal year FY 2021-22 saw foreign investors pulling out US\$18.5 Bn (~₹1.4 Trn) from Indian equities, after injecting record money in the previous year on a net basis. This, however, was more than made up by direct foreign

investments into India, that stood at a record high of US\$83.6 Bn (gross) in FY 2021-22, indicating that India remains a preferred investment destination for global investors.

Domestic institutional investors remained net buyers of Indian equities for the whole of FY 2021-22, with net inflows of ~₹2.2 Trn, far exceeding net foreign capital outflows, helped by a surge in retail participation through the SIP (Systematic Investment Plan) route. After some moderation during the first two months of the fiscal — thanks to renewed growth concerns in the wake of the deadlier second wave of COVID-19 — SIP inflows picked up meaningfully from June, translating into average monthly inflows of ₹104 Bn in FY 2021-22, higher than ₹80 Bn in the previous year. At the same time, direct retail participation remained broadly stable during the year—continuing new investor additions and steady retail ownership of NSE-listed companies.

On the capital raising front, an amount of ₹8.5 Trn was raised through debt (including public and private placement) as well as equity from the primary market during FY 2021-22. In the equity market, the total amount raised was ₹2.4 Trn whereas the amount raised in debt market was ₹6.0 Trn.

Key Government initiatives

Capital market and financial sector reforms

The 2022 Union Budget unveiled a slew of measures to develop and deepen capital and financial markets. Some of these include issuance of sovereign green bonds for funding public sector green infrastructure projects, and proposed launch of Central Bank Digital Currency (CBDC) in FY 2022-23, thereby facilitating a more efficient and cheaper currency management. Additionally, RBI launched the “Retail Direct” facility in November 2021, continuing its efforts to channelise individual savings and increase retail participation in government securities.

Targeted liquidity and credit support to COVID-scarred sectors

With an aim to provide relief to COVID-affected sectors/borrowers, the Government announced a slew of measures including a) a loan guarantee scheme worth ₹1.1 Trn earmarked for healthcare infrastructure creation and tourism, among others, b) expansion of the fully guaranteed emergency credit line announced in FY 2020-21 to ease eligibility norms and enhance the overall support by another ₹1.5 Trn, and c) allocation of ₹75 Bn to facilitate loans to 2.5 Mn people through micro finance institutions. The Central Bank also came to the rescue and opened an on-tap liquidity window at the repo rate till March 2022 to provide immediate liquidity support to COVID-affected sectors.

Investment measures

The Government remained committed to providing fiscal impulse via higher capital expenditure for yet another year in FY 2022-23, primarily targeted towards telecommunications, road transport & highways, health and family welfare, and transfer to states and union territories. With an aim to kickstart stalled infrastructure projects and reduce duplication of work, the Government launched the Gati Shakti, a ‘National Master Plan’ worth ₹1 Bn for multi-modal connectivity, in October 2021. The Plan would connect all concerned departments on one platform, thereby facilitating faster execution of projects and in turn fostering private investment. These measures, along with structural reforms undertaken over the last few years to strengthen supply chains, should support high post-recovery growth for the Indian economy.

Climate-related measures

With an aim to prepare India for meeting the net-zero carbon emissions target by 2017, the Government has started laying out various measures to encourage industries for using cleaner alternatives to carbon, including plans to boost hydrogen use. These measures will provide strong impetus to the development of private green ecosystems, paving the way for a smooth transition towards a carbon-neutral economy.

Support to the Manufacturing sector

The production-linked incentive (PLI) scheme, launched in March 2020, has been extended to 15 sectors thus far, and is now ready for a rapid on-the-ground execution. According to CRISIL Research, potential capital expenditure under the PLI scheme is expected at ₹2.5-3 Trn over the next 3-4 years. During FY 2021-22, the tenure of PLI scheme for large-scale electronics manufacturing was extended from four to five years (FY 2020-21 to FY 2025-26). Successful execution of PLI holds the ability to drive private investments and cushion the domestic economy from rising global headwinds.

Employment-boosting and social welfare measures

The Government enhanced the scope of some of the measures announced in the first year of the pandemic to boost employment and provide relief to rural sector. The Atmanirbhar Bharat Rozgar Yojana — first launched in October 2020 to incentivise creation of new employment opportunities was extended by six months until March 2022. To ensure food security for the poor and vulnerable after the deadlier second wave, the Pradhan Mantri Gareeb Kalyan Yojana (PMGKY)— first launched in March 2020 that provided free food grains to eligible beneficiaries—was relaunched in May 2021. Additional spending to the tune of ₹232 Bn was earmarked for public health, focusing on short-term emergency preparedness.

Outlook

Just when the COVID-induced uncertainty was slowly abating and the Indian economy was moving towards full normalcy, severe geopolitical tensions erupted, clouding not just global but India's growth outlook as well. The Russian invasion of Ukraine in February 2022, led to a sharp surge in energy/other commodity prices and consequent de-anchoring of inflationary expectations and monetary policy tightening and China's economic slowdown have amplified downside risks to global growth-inflation dynamics.

India is also expected to feel the heat of the accentuated geopolitical uncertainty. The evolving global macro environment described above may

disrupt the recovery in consumer demand and business confidence. Combined with the relatively nascent recovery, such a situation is likely to weigh on private capex prospects. That said, strengthened balance sheets of banks and corporates and continuous capex push by the Government are expected to provide some fillip to private investments.

Notwithstanding escalating geopolitical risks and continuing fear of emergence of new COVID variants, the Indian economy is on a better footing with certain growth pillars showing signs of resilience. India's economic fundamentals remain strong, with robust medium-term growth prospects and low external vulnerability thanks to adequate foreign exchange reserves. As such, it continues to be an

attractive destination for investments. Despite near-term headwinds, private investment climate is also expected to revive in the medium-term, supported by steady improvement in domestic demand and increase in capacity utilisation.

Similarly, while extant product and asset classes would continue to evince interest, enhanced retail participation in Indian capital markets over the last few years indicate appetite for new products and services and signal a permanent shift in the portfolio allocation of household investments. Technological innovations, robust risk management systems and a strong regulatory framework would continue to be the key drivers for the securities market.

Risks and concerns

While India's medium to long-term fundamentals is strong, the domestic capital market especially foreign capital inflows remain susceptible to developments in the global economy. Faster-than-expected monetary policy tightening by global central banks, notably the US Fed and heightened risk aversion in the wake of ongoing

geopolitical crisis may keep foreign portfolio investors on the side-lines as far as emerging markets are concerned. Along with surging commodity prices, this may worsen India's external vulnerability, thereby weighing on the INR. Emergence of new and more virulent COVID variants, a continued surge in crude and other commodity prices, persistent supply bottlenecks

and global financial market volatility pose downside risks to the global growth outlook. On the positive side, stronger-than-expected pent-up demand aided by faster vaccinations and contained spread of new variants, capex push by the Government and effective implementation of asset monetisation plans may improve 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 legal 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.

Financial performance (FY 2021-22):

During FY 2021-22, total revenue increased by around 53% from ₹5,466.05 Crs. for FY 2020-21 to ₹8,384.60 Crs. for FY2021-22.

The total expenditure (including Contribution to IPFT and Reversal and Contribution to Core Settlement Guarantee Fund) for FY 2021-22 was ₹2,280.78 Crs. as compared to ₹3,190.51 Crs. for FY 2020-21, a decrease of 29%.

The total profit before tax for FY 2021-22 was ₹6,103.82 Crs. as against ₹2,275.54 Crs. for FY 2020-21, an

increase of around 168% over the previous year.

The total provision for tax (including deferred tax) for FY 2021-22 was ₹1,482.71 Crs. as against ₹488.26 Crs. for FY 2020-21.

The total profit after tax for FY 2021-22 was ₹4,621.11 Crs. as against ₹1,787.28 Crs. for FY 2020-21, an increase of around 159% over the previous year.

Operating revenues

Transaction charges: During the year, an upward trend continued with around 64% increase in the income from transaction charges from ₹4,235.62 Crs. for FY 2020-21 to ₹6,965.10 Crs. for FY 2021-22. The average daily turnover (billable) on the exchange during FY 2021-22 was ₹66,846 Crs. in the cash market (CM segment) as against ₹61,928 Crs. for FY 2020-21, indicating an increase of around 8%. In the Equity F&O segment, the average daily turnover (billable) for FY 2021-22 was ₹1,46,552 Crs. as against ₹1,21,868 Crs. for FY 2020-21, indicating an increase of around 20%. In the currency derivatives segment, the average daily turnover (billable) for FY 2021-22 was ₹29,393 Crs. as against ₹23,422 Crs. for FY 2020-21, indicating an increase of around 25%.

Listing fees: During the year, there was an increase of around 7% in the income from listing fees from ₹95.41 Crs. for FY 2020-21 to ₹101.77 Crs. for FY 2021-22. The exchange, as of March 31, 2022, had 2,011 listed companies. The total market capitalisation of these companies, as of March 31, 2022, stood at around ₹261.81 lakh Crs.

Book building fees: During the year, the total book building fees increased to ₹50.57 Crs. for FY 2021-22 from ₹24.36 Crs. for FY 2020-21.

Processing fees: During the year, the total Processing fees increased to ₹31.40 Crs. for FY 2021-22 from ₹25.34 Crs. for FY 2020-21.

Colocation charges: During the year, the total Colocation charges increased from ₹274.06 Crs. for FY 2020-21 to ₹432.62 Crs. for FY 2021-22 due to

increase in occupancy of the racks and subscription of connectivity.

Other Operating Income: During the year, other operating income increased from ₹119.19 Crs. for FY 2020-21 to ₹134.70 Crs. for FY 2021-22.

Interest and other investment income: During the year, the total investment income decreased from ₹674.20 Crs. for FY 2020-21 to ₹643.43 Crs. for FY 2021-22 mainly due to reduction in yield and also there was one time gain on sale of ETF & balanced funds in FY 2020-21.

Other income: During the year, other income increased from ₹17.86 Crs. in FY 2020-21 to ₹25.02 Crs. for FY 2021-22.

Expenditure

IT and telecom expenses: During FY 2021-22, total IT and telecom expenses (includes Repair & maintenance – trading & computer system, IT Management & Consultancy charges, Software expenses, Leased line charges, web site hosting charges, cloud hosting charges and Network infrastructure management charges) were ₹448.82 Crs. as compared to ₹366.80 Crs. for FY 2020-21.

Clearing and settlement charges: NSE Clearing Limited (NCL), a wholly owned subsidiary of the Exchange, carried out the clearing and settlement of the trades executed in the CM, F&O and CD segments. During the financial year 2019-20, as prescribed by SEBI, interoperability framework among Clearing corporations was implemented

which allows market participants to consolidate their clearing and settlement functions at a single Clearing Corporation, irrespective of the stock exchanges on which the trades are executed.

Consequent to the increase in income from transaction charges, the clearing and settlement charges increased from ₹284.94 Crs. for FY 2020-21 to ₹458.23 Crs. for FY 2021-22.

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 2021-22, 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 2021-22, employee related expenses stood at ₹274.28 Crs., which was ₹212.14 Crs. for FY 2020-21. Total Number of employees as on March 31, 2022: 1,197 employees.

Depreciation: Depreciation increased by around 56% from ₹166.15 Crs. for FY 2020-21 to ₹259.72 Crs. for FY 2021-22.

Other expenses: During the year, other expenses decreased by around 61% from ₹2,160.48 Crs. for FY 2020-21 to ₹839.73 Crs. for FY 2021-22.

Financial statement as on March 31, 2022

Share capital: The total paid-up capital of the Company, as on March 31, 2022, is ₹49.50 Crs. divided into 49,50,00,000 equity shares of ₹1 each.

Reserves and surplus: The total reserves and surplus, as on March 31, 2022, stood at ₹11,498.30 Crs. comprising securities premium of ₹35.50 Crs., investor compensation reserve of ₹10 Crs., staff welfare reserve of ₹1.50 Crs., other reserves of ₹55.55 Crs., and retained earnings of ₹11,395.75 Crs.

Thus, the total networth of the Company, as on March 31, 2022, is ₹11,547.80 Crs. and book value is ₹233.29 per share.

Deposits from members (Unsecured): The total deposits from members, as on March 31, 2022, stood at ₹969.72 Crs. as against ₹990.76 Crs. as on March 31, 2021.

Fixed assets: The total gross block (including capital WIP), as on March 31, 2022, was ₹2,484.24 Crs. Total accumulated depreciation up to March 31, 2022 was ₹1,357.44 Crs. Net fixed assets (including capital WIP) were ₹1,126.80 Crs. As part of the total investments in technology, during FY 2021-22, the total additions to fixed assets were ₹603.75 Crs., mainly pertaining to the trading systems, computer systems, telecom equipment and computer software. Total deletions at cost were ₹2.94 Crs.

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, 2022, the total non-current investments were ₹3,752.06 Crs. as against ₹2,891.76 Crs. as on March 31, 2021. Current investments were ₹6,745.65 Crs. as on March 31, 2022, as against ₹4,450.00 Crs. as on March 31, 2021.

Other non-current and current assets: Total other assets (non-current and current) as on March 31, 2022 stood at ₹5,097.17 Crs., comprising interest accrued on investments and fixed deposits amounting to ₹40.71 Crs., trade receivables amounting to ₹1,336.17 Crs. and cash and bank balances, fixed deposits and certificates of deposits amounting to ₹1,947.79 Crs., Other current assets of ₹305.28 Crs. and non-current assets of ₹1,467.23 Crs.

Other non-current and current liabilities: Total other liabilities (non-current and current), as on March 31, 2022, stood at ₹4,204.16 Crs. mainly comprising security deposits as per listing agreement amounting to ₹116.46 Crs., securities transaction tax of ₹2,123.90 Crs., provision for leave encashment of ₹14.19 Crs., other current liabilities amounting to ₹1,750.87 Crs. and other non-current liabilities amounting to ₹198.74 Crs.

Taxation: The total provision for tax (including deferred tax) for the year FY 2021-22 was ₹1,482.71 Crs., as against ₹488.26 Crs. for the year FY 2020-21. During the year, the effective tax rate for FY 2021-22 was 24.29%.



The total gross block (including capital WIP), as on March 31, 2022, was ₹2,484.24 Crs. Total accumulated depreciation up to March 31, 2022 was ₹1,357.44 Crs. Net fixed assets (including capital WIP) were ₹1,126.80 Crs. As part of the total investments in technology, during FY 2021-22, the total additions to fixed assets were ₹603.75 Crs., mainly pertaining to the trading systems, computer systems, telecom equipment and computer software. Total deletions at cost were ₹2.94 Crs.

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. 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
MR. G SHENOY	Chief Technology Officer retired w.e.f November 30, 2021

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. GANESH ANANTHARAMAN SREENIVASAN	Managing Director & CEO - NSEIT Limited w.e.f August 06, 2021
MR. MURALIDARAN N	Managing Director & CEO – NSEIT Limited till August 05, 2021 Vice Chairman & Whole time Director from August 06, 2021 till March 31, 2022

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

circular dated February 06, 2017 (SEBI/HO/CFD/CMD/CIR/P/2017/10) that encourages the top 500 listed companies by market 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:



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

Report period, boundary and coverage:

The contents of this report showcase our performance, strategy and outlook for the reporting period FY 2021-22. The contents presented in this report pertains to National Stock Exchange of India Limited (NSE).

Report structure and core elements:

This report is prepared in line with the <IR> framework and aims to narrate our value creation process. The initial sections of the report

introduces 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 connotation. These statements are solely representative of our

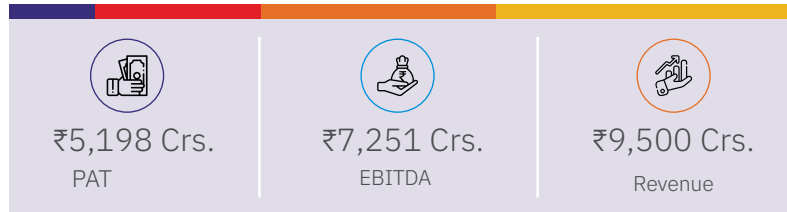
expectations based on our experience, sectoral insight and assumptions which may be incorrect in the future. Hence, these statements must not be used as a guarantee of future performance and must be treated solely as a representation of expectations for the future based on current scenarios and assumptions which could change materially in the future.

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

Feedback: This is our third 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

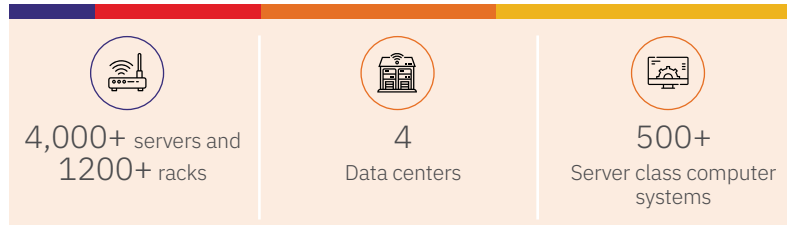
Financial Capital



Intellectual Capital



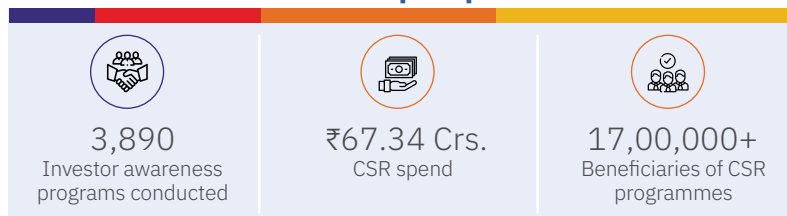
Manufactured Capital



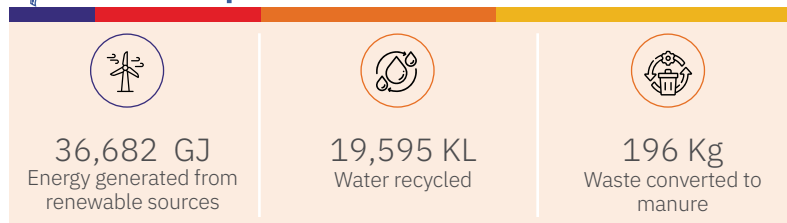
Human Capital



Social and Relationship Capital



Natural Capital



Entrenching sustainability in our business

Engaging with our stakeholders

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

List of external stakeholders

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

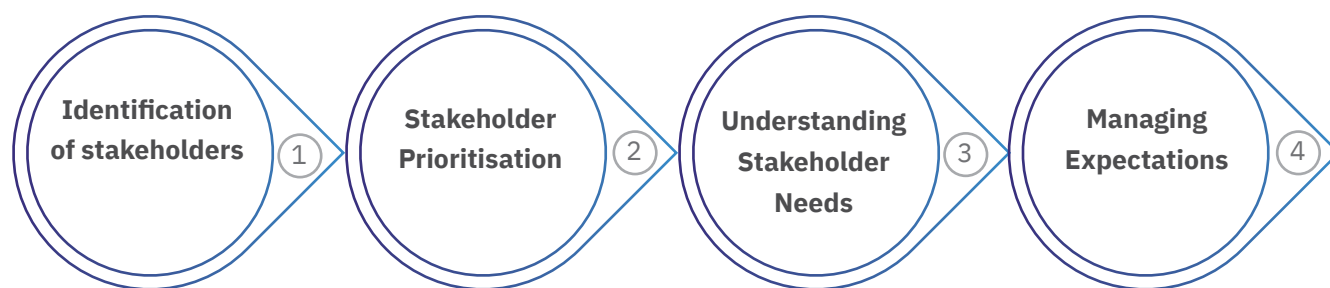
List of internal stakeholders

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

Our Approach

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

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



Post identification, stakeholders within each identified group are 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 ¹	Initiatives undertaken this year	Engagement Frequency	Key engagement topics
Trading Members	<ul style="list-style-type: none"> • One on one meetings / calls • Member Help desk - Phone Calls, Emails • Periodic Compliance filings • Webinars 	<ul style="list-style-type: none"> • Regular Review of regulatory policies/ procedures • Conducted Webinars for Members on launch of different modules in NSE's new digital portal • Member help desk for resolving member enquiries • Issuance of clarifications & FAQs on Net-worth & Margin Trading facility (MTF) • Periodic regulatory filings by Members • Dissemination of list of Authorised Persons (AP) whose registration have been cancelled by Members due to disciplinary reasons • Reporting requirements initiated for Authorised Persons (AP). Members to report details of the AP inspections and details of the clients mapped to their APs • Issued clarification (FAQ) and conducted webinar on Settlement of Running Account of Client's Funds lying with Trading Member (TM) • 3 Webinars were conducted for internal auditors to sensitise them on the importance of reporting critical observations in their report and discussed the purpose and scope of internal audit 	<ul style="list-style-type: none"> • Ongoing process 	<ul style="list-style-type: none"> • Compliance and regulatory matters
Employees	<ul style="list-style-type: none"> • Employee engagement survey • Training and development programmes 		<ul style="list-style-type: none"> • Ongoing process 	<ul style="list-style-type: none"> • Welfare and career growth

¹Most of the meetings were conducted through virtual mode in view of constraints posed by the pandemic

Stakeholder group	Mode of engagement ¹	Initiatives undertaken this year	Engagement Frequency	Key engagement topics
Regulators Government of India (GoI), SEBI, RBI, PFRDA, EPFO, IRDA & WDRA	<ul style="list-style-type: none"> • Periodic meetings with SEBI officials • Emails, Phone calls 	<ul style="list-style-type: none"> • Periodic meetings with SEBI officials are scheduled to discuss various regulatory matters • Timely submission of information/data sought by SEBI • Active engagement with SEBI on the Unified Information infrastructure (UII) initiative for development of common interfaces/processes across all MIIs for Membership related requirement • Active engagement with SEBI on various broker supervision, inspection and surveillance matters 	<ul style="list-style-type: none"> • Ongoing process 	<ul style="list-style-type: none"> • Periodic engagement with SEBI officials on key regulatory matters & important cases • Discussions on policy matters • Data requirements • Active engagement with SEBI on the Unified Information infrastructure (UII) initiative
Customers (Investors in Indian capital markets, listed companies, Trading members, foreign portfolio investors, data vendors)	<ul style="list-style-type: none"> • One-on-one / group meetings / webinars • Member help-desk – phone calls and emails • Periodic regulatory filings by members 		<ul style="list-style-type: none"> • Ongoing process 	<ul style="list-style-type: none"> • Compliance and regulatory matters • Product and service-related matters
Key partner service providers (TCS, Oracle, VMware, Airtel, NASDAQ, WIPRO, IBM, ServiceNow, CISCO)	<ul style="list-style-type: none"> • Technology conferences • Webinars and training • Meetings and regular calls • E-mails 		<ul style="list-style-type: none"> • Ongoing process 	<ul style="list-style-type: none"> • Adherence to delivery standards and timelines
Investors	<ul style="list-style-type: none"> • NSE Website/Circulars 	<ul style="list-style-type: none"> • “Know/Locate your Member” feature on NSE website for disseminating Member information, enabling investors to know about Members and make informed choices about them • Dissemination of the Member details with inadequate reported Net-Worth on NSE website along with the action taken • Dissemination of Directors / partners details of expelled / defaulter Members • Dissemination of list of Authorised Persons (AP) whose registration have been cancelled by Members due to disciplinary reasons • Updation of mandatory KYC fields by March 31, 2022. The timelines have now been extended to June 30, 2022 • Publishing Investor Charter and disclosure of Investor Complaints by Stockbrokers on their websites • Issued press releases/ public notices cautioning investors to stay away from various unregulated schemes/ products/ entities 	<ul style="list-style-type: none"> • Ongoing Process 	<ul style="list-style-type: none"> • Information about Members and Authorised Persons (AP)

¹Most of the meetings were conducted through virtual mode in view of constraints posed by the pandemic

Stakeholder group	Mode of engagement ¹	Initiatives undertaken this year	Engagement Frequency	Key engagement topics
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"> Ongoing process 	<ul style="list-style-type: none"> High quality service and final output Technology upgradation Skilling and capacity-building
Other exchanges	<ul style="list-style-type: none"> Periodic joint Meetings with Exchanges & depositories E mail Discussion on policy matters 	<ul style="list-style-type: none"> Regular sharing of information on regulatory matters and actions taken on Members Periodic meeting / discussions with other Exchanges on regulatory matters including on various applications received from Members. Drafting of regulatory policies in consultation with other Exchanges. Joint media campaign with other MIIs for creating awareness in investors for updation of mandatory KYC fields by March 31, 2022. 	<ul style="list-style-type: none"> Ongoing process 	<ul style="list-style-type: none"> Information sharing and discussion on regulatory matters Discussion on policy 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"> Ongoing process 	<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"> Ongoing process 	<ul style="list-style-type: none"> Quality research on capital markets, corporate governance, and economy

¹Most of the meetings were conducted through virtual mode in view of constraints posed by the pandemic

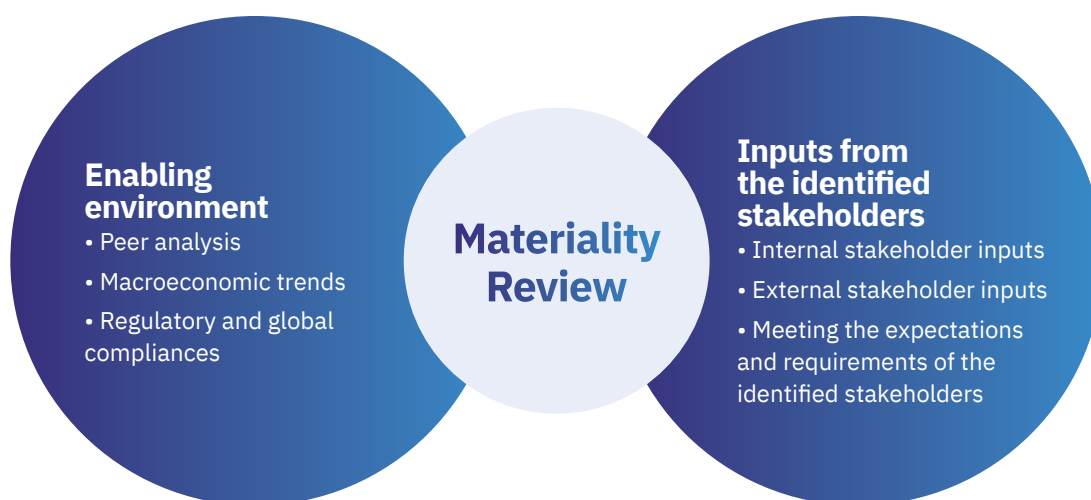
1. Materiality Review




We conducted a materiality review exercise to appraise the relevance and applicability of the materiality assessment exercise conducted in FY 2021-22. 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.



Capitals	Material topic	KPI & SDGs in Focus	Stakeholder 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	Stakeholder 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

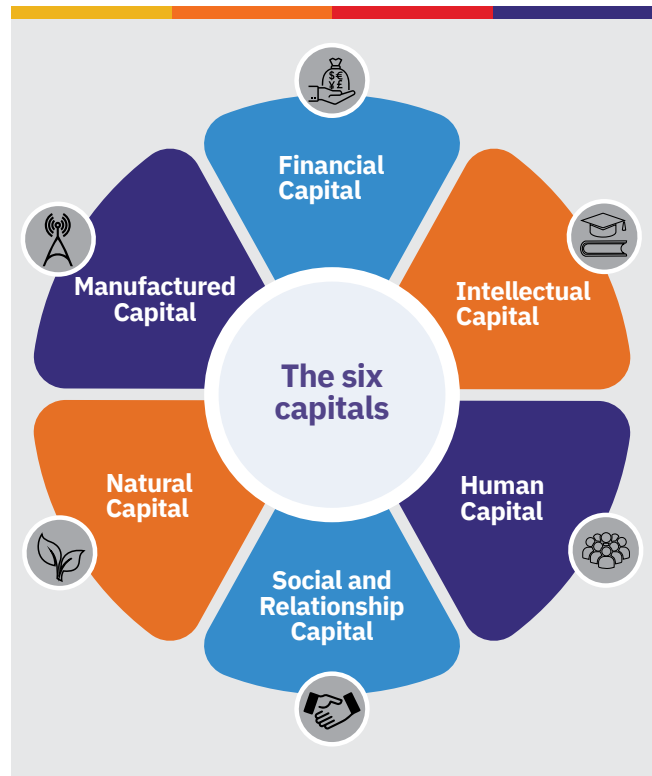
Capitals	Material topic	KPI & SDGs in Focus	Stakeholder In focus
Human Capital	Employee wellbeing & Development	<ul style="list-style-type: none"> Employee welfare initiatives and corresponding investments Training and Education: Average hours of training per employee, Programs for upgrading employee skills and transition assistance programs, Percentage of 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	Stakeholder 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 cognizant of the needs of future generations. Our value creation process revolves around six key facets of our business, which have been termed as “capitals” throughout this report. Each capital, further represented as a separate section detail how we employ our resources to enable shared growth, inclusivity, and sustainable development.

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

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

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

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

Forge partnerships and collaborations for a sustainable business

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

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

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. Such a concerted effort, together with vaccination programs at hitherto unseen scales not only led to the containment of pandemic waves, but also to a resurgence in growth - multilateral agencies like the IMF and World Bank expect global growth in 2022 to be the highest in several decades.

We believe stock exchanges can play

a vital role in the economy towards meeting the financial requirements of a post-pandemic world, in the optimal allocation of capital, with savings from households meeting the investment needs of companies. In this context, a sharp rise in domestic inflows - both direct and indirect - have anchored markets in the last few months, despite record foreign portfolio selling in FY 2021-22.

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 the 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 be a thought leader through participating in various online forums, seminars and conferences organised by reputed organisations, industry associations and other market intermediaries. Efforts will be made to provide necessary skills to employees in developing technical content as well as 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, 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 the new investors onboarding on the stock exchange.
- Deepen the product portfolio to help investors diversify their portfolios by giving exposure to different asset classes through financial products.
- 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.
- Superior bouquet of products/ services to meet the needs of MSMEs.
- Prioritising RFQ as a trading platform for all regulated entities to trade in corporate bonds and CPs.
- Develop product offerings that meets the needs of global investors and Indian investors' global investment access.
- Execute Design and Delivery of New Generation Surveillance Systems.
- 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 regulatory supervision, inspection and surveillance framework and models.

Medium term priorities

- To touch 90% of the Indian taxpayer population with the bouquet of the product & service offerings.
- 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 be the preferred investment platform provider across demographic investor profiles for wide variety of financial products.

- To emerge as the preferred exchange for raising funds through retail participants in the Government securities (G-Sec), treasury bills and state development loans.
- To introduce foreign economy linked products in India to provide investors with global exposures.
- 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.
- Emerge as a preferred platform for tri-party repo, borrowing & lending of corporate bonds.

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.
- To be the preferred destination for foreign investments amongst the emerging market peers and other Asian economies.
- Emerge as a thought leader in financial markets.

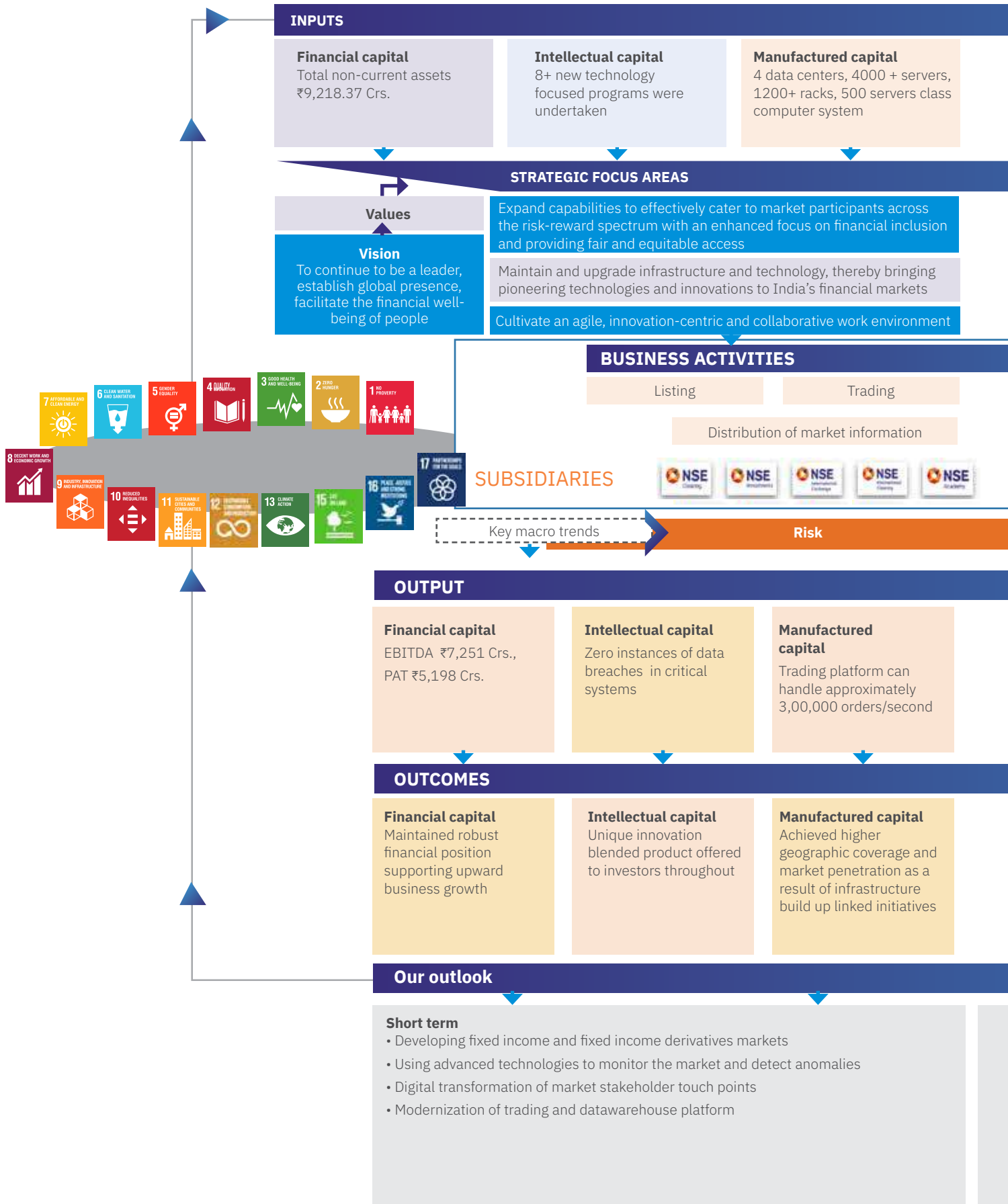
- Develop capabilities to generate 50% revenues from non-transaction sources. Further, within transaction revenues, 1/3rd to come from non-equity / equity derivatives.
- Offer retail friendly platform for seamless trading in corporate bonds for retail participation.
- Secure the position as the top player 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.

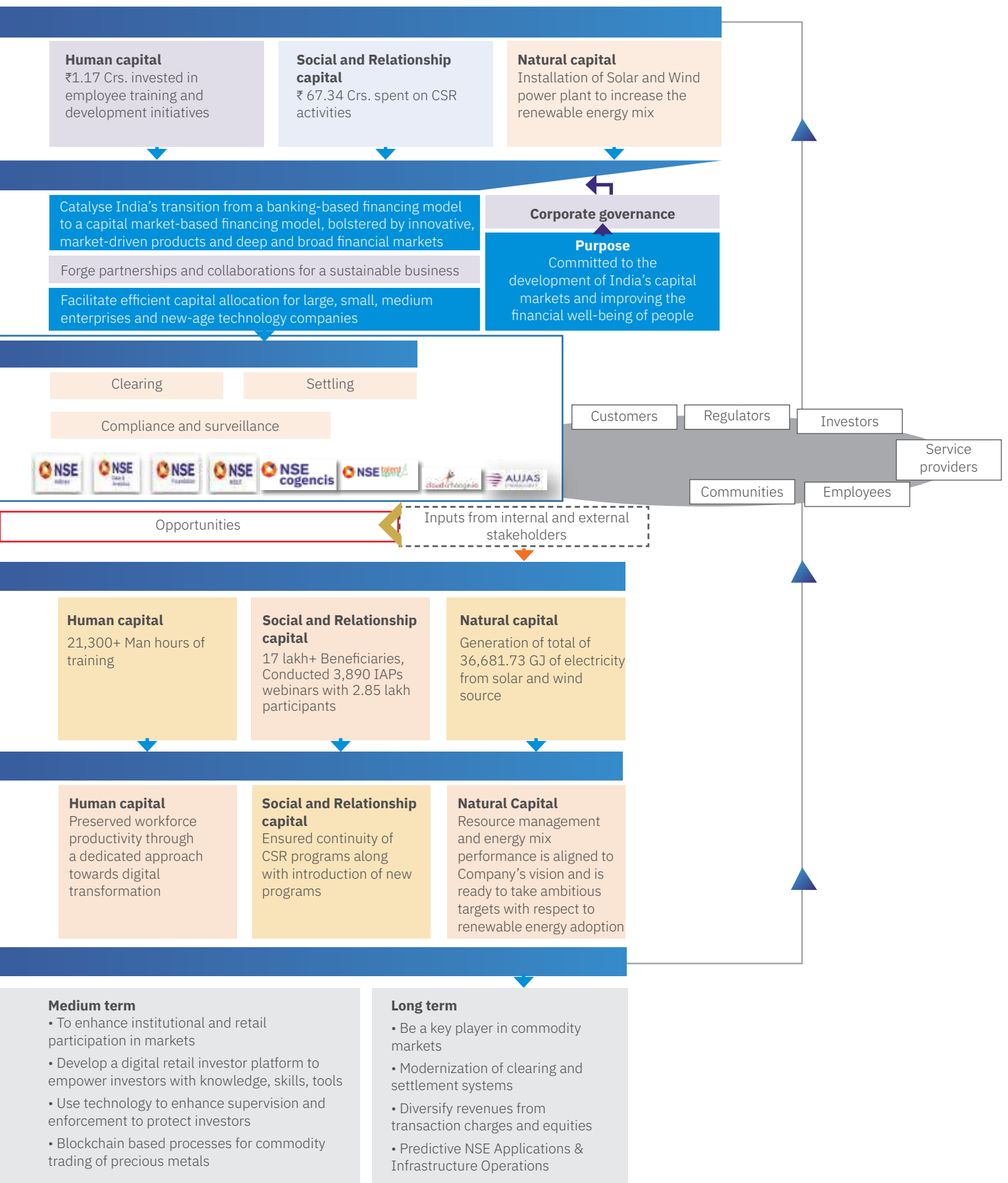
- Modernisation of Trading Platform i.e. high-volume asset classes upto the range of 1 Mn orders/sec.
- Modernisation and Platform build for NCL Risk applications , NCL Collateral Management applications, NCL Core applications– Clearing & Settlement, Data warehouse Architecture, MIS & Advanced data analytics.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

NSE's Strategy Roadmap

	Strategic objectives	Strategic enablers
Short-term	<ul style="list-style-type: none"> • 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 Crs. in the FY 2022-23 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 achieve 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 • Policy advocacy to bring in technology enabled order management systems for retail investors • Ecosystem relevant products and services
Medium-term	<ul style="list-style-type: none"> • Work towards increasing the number of registered investors equivalent to the number of income tax filers in India • To introduce foreign economy linked products in India to provide investors with global exposures • Strive towards making NSE RFQ platform as preferred alternative over the OTC trading in corporate bonds and CPs • 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 300 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 	<ul style="list-style-type: none"> • Product gap identification and launch of new products • Policy advocacy to bring in continuous improvement in regulatory policies • Regulatory facilitation to improve participation in RFQ platform • 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"> • 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 • Conduct and participate in roadshows globally to showcase the India Growth Story



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 2021-22	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"> 247 companies listed on the SME platform 59% y-o-y growth in total revenue in FY 2021-22 We continued to be the world’s largest derivatives exchange for 3rd consecutive year 	 	Retain strong financial position enabled by diversification of product and service offerings, infusing business model with next-generation technologies, and enhancing market inclusion.

Interrelationship between capitals



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 ₹9,499.64 Crs. Around 94% of the

59%
y-o-y growth in
operating revenue
noted in FY 2021-22

total revenue is attributed to operating revenue. Our Profit Before Tax (PBT) stood at ₹6,912 Crs., which was ₹4,465 Crs. in the previous year. We report an EBITDA margin of 76% with the ratio of PAT to revenue at 55%.

In FY 2021-22, 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 the 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 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 ingrain 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 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 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 investment opportunities.

SMEs are the growth engines of the economy. Infusing capital into SMEs presents a multi-fold 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 year 2012. The platform has grown from strength to strength since inception. Today, the platform not only enables easy access to capital for SMEs but also supports them to understand the dynamics of raising capital from the market efficiently.

Overall fund raising on
the SME platform was

3,801
(₹ Crs.) in FY 2021-22.

SME EMERGE at a glance			
Performance indicator	FY 2021-22	FY 2020-21	FY 2019-20
Number of companies listed on SME EMERGE (cumulative)	247	216	208
Number of SMEs listed in FY 2021-22 (new listings)	31	8	13
Mobilisation of capital through SME IPOs	₹ 503.57 Crs.	₹79.47 Crs.	₹174.67 Crs.
Number of Companies migrated on main board	33	39	24

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, SME's are required to report only on a half-yearly basis aligned with the LODR requirements in contrast with the quarterly reporting requirements for the main board.

• **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 continue to build our capabilities and networks towards creating novel solutions to fuel the growth of India's SME ecosystem. We actively scout for prospective SMEs for the platform by collaborating with state governments and local bodies. In FY 2021-22, NSE has signed MOU with Government

of Chhattisgarh and Government of Telangana. As per the understanding with respective government, awareness drive will be conducted through seminars, MSME camps, knowledge sessions, road shows, workshops to guide corporates across the state for fund raising on NSE Emerge platform and also handhold the companies in the listing process.

In FY 2021-22 we conducted **161** 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 21-22	SDGs in focus	Outlook
Nurturing innovation centricity and digitisation towards reinforcing service quality and security. Improving the resiliency and scalability of critical systems through enhanced monitoring framework	<ul style="list-style-type: none"> Innovation & technology Market integrity & stability Business continuity & technology risk Expanded system monitoring framework 	<ul style="list-style-type: none"> In FY 21-22, our cash spend on capital and operational expenses pertaining to technology was approximately ₹1500 Crs. We have a strong technology workforce of approximately 1700+ people 	 	Building long term computing capacity by transforming the data centres, bringing agility in technology infrastructure, continue making sustained technology focused investments to integrate next generation digital capabilities in services and supervisory activities

Interrelationship between capitals



Capital 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 knowledge-base 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 touch points. 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 2021-22, we have gone live with transformation of some of the critical customer journeys through digitisation as part of project “Parivartan”. This phase of digitisation has enabled the members with a much simplified and intuitive user interface to access and submit information for various compliance needs.

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 CTOO’s office also reviews technology trends in the market, relevance of current organisational technologies and progress of the roadmap on a quarterly basis.

Technology adoption roadmap

Short-term aspirations

- Project Parivartan – Digital transformation of market stakeholder touch points and business operation processes for membership, clearing, listing and regulatory etc.
- Setup of API driven file exchange gateway among trading and clearing members, NSE and NCL
- Modernisation of Risk, Collateral, Clearing and Settlement Platforms for all Asset Classes
- Modernisation of trading platform to build highly scalable, resilient and fault tolerant trading application components to process 1 Mn orders/sec.
- 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.
- NCL Data warehouse on AWS cloud/Snowflake
- Consolidation of existing BI tools from current Enterprise SAP BO to PowerBI
- SaaS Viya launch for various surveillance models required by SEBI
- Cloud2.0 Private cloud- Virtual machine provisioning in 15 mins and end to end provisioning of cloud tenants in 45 mins (Including workload, compute, network, infrastructure and security)
- Zero-Incident Operations (Service level monitoring, outage avoidance, operations automation)
- Application and infrastructure automation using Control-M, Ansible etc

Medium to long-term aspirations

- Deployment of chatbot for simplification of stakeholder experience while interacting with various touch points of NSE group.
- Building API gateway for clearing and data APIs
- Building future generation unified risk and collateral management platforms across all asset classes based on cloud native, modern applications technology stack.
- Modernisation of clearing and settlement systems based on cloud native modern applications stack leveraging latest in-memory databases and low latency service bus architecture.
- Modernisation of data warehouse architecture based on open-source data lake with real-time data ingestion from data-sources.
- Blockchain based digitisation of business processes for commodity trading of precious metals e.g., gold
- Predictive NSE Applications & Infrastructure Operations.

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 3631 users including our own

employees and contractual workforce. Our efforts culminated in zero productivity loss throughout the year. Around 1300 people use the office desktop remotely through the WFH portal, while 700+ users use VMware Horizon for production access. Since the pandemic began, 1150 laptops

have been distributed, and a webinar for 1000+ people had been set up.

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

Employee training on technology		
Sr. No.	Name of the training module	Brief description
1	Java Programming	The program helped employees to build the requisite skillsets to become Java programmers
2	Java Programming & Advanced Java	The program helped employees to build the skills on advanced Java
3	Data Science for Business-Non-Tech	The program was designed to enable individuals gain deep insight into data science for business
4	Linux and Shell Scripting Training	The program helped employees to develop the skills on Linux and Shell Scripting
5	Spring Framework	The program helped employees to build the skills on spring framework

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 21-22

Sr. no	Program	Roll-out rationale	Brief description of the initiative	Program outcomes
1	Recovery Time Objective (RTO) of 45 mins- Switchover to disaster recovery (DR) site within 45mins	Regulatory Compliance	Trading, Clearing & settlement, Risk, Surveillance and other systems supporting these applications made ready to achieve switchover from primary to DR site within 45 mins. This is achieved by automating manual tasks, implementing oracle data guard etc.	<ul style="list-style-type: none"> • Readiness to switchover from primary to disaster recovery site within 45 minutes
2	Building strategic disaster recovery and near disaster recovery sites	Use of modern technology	Building strategic disaster recovery and near disaster recovery sites to support deployment of scalable and resilient infrastructure and robust telecom networks among all sites. Implementation of solace file adapter using PubSub+ appliances	<ul style="list-style-type: none"> • Scalable and resilient infrastructure and robust telecom networks among all sites (production, near disaster recovery and far disaster recovery sites) • Resilient, Near-Zero Data loss architecture
3	Stratus server transitioning in Trading system	Use of modern technology	Migrating trading system on horizontally scalable commodity hardware and software driven resiliency architecture and leveraging latest technologies	<ul style="list-style-type: none"> • Horizontally scalable commodity hardware and software driven resiliency architecture

Overview of key technology focused programs undertaken in FY 21-22				
Sr. no	Program	Roll-out rationale	Brief description of the initiative	Program outcomes
4	New contract management system for managing trading contracts of the derivatives segments	Use of modern technology	A new Back office system for managing contracts of the derivatives segments is being implemented using new technologies like REST API-based architecture using Angular 7 and Go Language and Oracle database	<ul style="list-style-type: none"> • More flexibility in contract management system by decoupling the back-office functionalities from Clearing & Settlement system • A modular design for easier maintenance of the system
5	Next-generation surveillance for Futures & Options and Currency Derivatives	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
6	Modernisation of Data Warehouse	Use of modern technology	Modernisation of Data Warehouse to achieve Real-time data ingestion framework deployment from source systems	<ul style="list-style-type: none"> • Entire historical data migration from old green plum database to Snowflake
7	Disaster recovery(DR) site shifted to STT Ambattur, Chennai	Use of modern technology and enhanced capacity	DR Migration to STT Ambattur, Chennai has been successfully carried out in six weeks' time	<ul style="list-style-type: none"> • DR data center with higher capacity
8	Network area storage (NAS) to SharePoint Online migration	Use of modern technologies	40 TB user data migrated from network area storage (NAS) to SharePoint Online increasing accessibility of data for users working from home and from office	<ul style="list-style-type: none"> • Increased accessibility of data for users working from home and from office

2. Market integrity, stability and enforcement

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 multi-pronged risk management measures. Our risk management systems and procedures are periodically upgraded to mitigate emerging and novel risks. Our approach to risk management includes active measures that aim to monitor:

- Member performance and track record
- Capital adequacy requirements for members

- Strict margin requirements
- Collateral and automatic disablement from trading when limits are breached
- Member positions

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. In our quest to upgrade and strengthen our surveillance-linked capabilities, some of the key initiatives rolled out in FY 21-22 were:

- a. Pattern recognition models were enhanced to increase the probability of capturing market abuse practices in Futures and Options segment of the Exchange.

- b. A new alert was deployed to detect market abuse practice in Equity Stock Options OTM contracts.
- c. An alert was also deployed to capture market abuse practices where option contracts are traded at away prices without change in the underlying.
- d. A new model was deployed to capture market abuse practice of the nature of “Layering”. “Layering” is a variant of order spoofing.
- e. Exchange is exploring with a “Unsupervised Machine learning model” to detect anomalies in ALGO orders.
- f. A new alert was deployed to capture multi leg reversal cases.

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

Exchange has also developed various large scale online systems such as client margin collection by members, availability of creditors funds on aggregate basis with the members, settlement of client funds

across all Exchanges, to monitor the members under off-site supervision. Stricter monitoring policy has been implemented for the members with serious/ repeat material violations. Mystery shopping on the basis of news circulated in the market to identify assured return schemes run by members/individuals/entities was initiated and public notices issued to caution investors to stay away from various unregulated schemes/ products/ entities.

Enforcement

At NSE, the Enforcement Division initiates all the enforcement actions against the Trading Members. 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 the Exchange initiates are placed before the MCSGFC for adjudication and orders. The MCSGFC, following the principles of natural justice, decides on a case-to-case basis all the charges against the Trading Member. MCSGFC levies monetary and non-monetary penalty, viz. suspension of members and declaration of defaulter/ expulsion. Apart from the above, the MCSGFC issues interim directions viz. disablement of trading terminals, prohibition on new client creation on a case-to-case basis. The said decisions of the MCSGFC can be appealed before the Hon’ble Securities Appellate Tribunal.

For FY 21-22, about 703 cases

pertaining to disciplinary action against the Trading Members were placed before the MCSGFC. These included matters pertaining to inspection, non-compliance with the Exchange Regulations, pertaining to surveillance and non-adherence to the Code of Advertisement prescribed by the Exchange, non-adherence to the membership norms of the Exchange. Apart from the monetary penalty of approximately ₹8.50 Crs. in these matters, the disablement of Trading Terminals in case of 12 Trading Members as well as expulsion and declaration of default in case of 7 Trading Members were also decided by the MCSGFC. The expeditious placing of critical matters involving fixed/ assured returns offered to investors and/or misusing client assets have resulted in quick adjudication in those matters thereby protecting the interest of investors and paving the way for initiation of the process for settlement of investor claims. The Exchange has also filed recovery suits in 6 default cases as advised by the MCSGFC.

Regarding compulsory delisting of companies, the Exchange has delisted 10 companies that were suspended for more than 6 months for non-compliance with the erstwhile Listing Agreement/ SEBI (LODR) Regulations, 2015 and who did not complete formalities for revocation within stipulated timelines. Further, Exchange has delisted 8 companies that were suspended for more than 6 months pursuant to liquidation.

Overview of surveillance measures and Investigation reports

Sr. No.	Surveillance Measure	No of Unique scrips covered in FY 21-22
1	Additional Surveillance Measure (ASM) - IBC	37
2	Additional Surveillance Measure (ASM) - Long Term	775
3	Additional Surveillance Measure (ASM) - Short Term	721
4	High Encumbrance (Promoter Pledge)	30
5	Graded Surveillance Measure (GSM)	99

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

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 Business Continuity Management and Disaster Recovery framework. Various BCM teams including Crisis Management Team (CMT) are

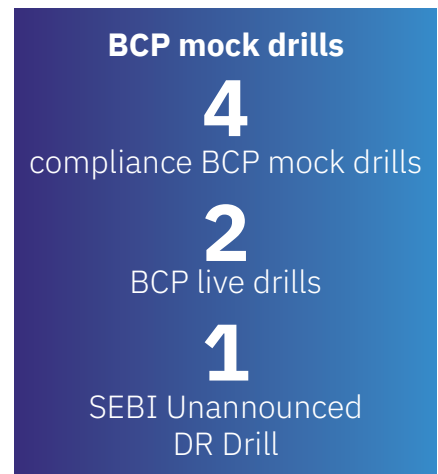
responsible for managing on ground execution of the plan.

Our BCM policy is complemented by a well-curated business continuity procedure document that elucidates event handling strategy, disaster 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 opposite coastal direction, this renders enhanced resilience considering the lower probability of simultaneous disasters across both the coasts.

As mandated by the SEBI guidelines, we have built the capability of switching critical applications to DR within 45 minutes in the event of any major disruption or any disaster like event. All the switchover processes have been fully automated.



BCP mock drills

4
compliance BCP mock drills

2
BCP live drills

1
SEBI Unannounced DR Drill

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 practices. Some of our key measures towards effectively mitigating technology risks are:

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

and accesses

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

In FY 21-22 we did not observe any data security breaches to our critical systems.

4. Engaging with regulators

- Handling of technical glitches by Members

A detailed Standard Operating procedure (SOP) was issued by the Exchange, in consultation with SEBI, to handle incidence of business disruption

on account of technical glitches at the member end and to implement preventive controls by Members.

- Unified Information Infrastructure (UII)


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

- Standardisation of Internal Audit Report and Risk Based Supervision formats across Exchanges:

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

Manufactured capital

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

Strategic Intent	Material topics	Performance highlight FY 2021-22	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 1200+ racks, 4 data centers and 500 server-class computer systems • We currently have 4,000+ servers supporting our services 		Continue building sustainable infrastructural capabilities to ensure resilience and responsiveness in our operations.

Interrelationship between capitals



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 4,000 servers, 1,200+ 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 UNIX servers. These assets currently enable real-time trading for over 10,000 users at a given time. We are actively exploring opportunities to enhance our operational prowess through incorporation of cutting-edge infrastructural solutions.

Our trading platform can now handle between 250,000 and 300,000 orders per second. We are always looking for ways to improve our operating capabilities by incorporating cutting-edge infrastructure technologies.

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 have handled a peak of 10 Bn messages per day and have capacitated ourselves to process 30 Bn order messages per day in the derivatives 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 2021-22	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 1,197 employees Our workforce comprises of 34% female employees 21,330 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

Interrelationship with the capitals



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.

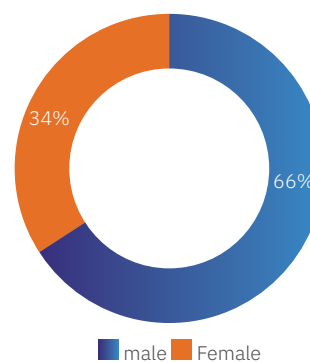
We have an experienced Human Resource (HR) management team that undertakes the execution of key HR initiatives. The human resource management strategy is also reviewed annually to ensure alignment with the needs of our employees and emerging market trends. Our Board too reviews the progress of various workforce management initiatives on a periodic basis.

1. Celebrating our diverse and vibrant workforce

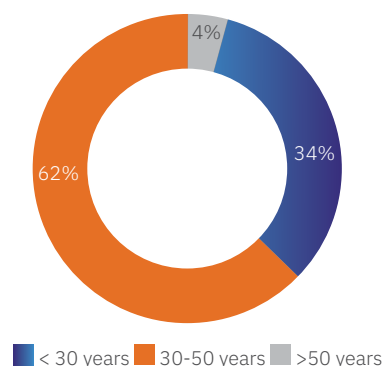
At NSE, we believe diversity in ideas, perceptions and aspirations fuels innovation and organisational success. We take pride and celebrate our diverse and vibrant workforce. By fostering

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 redressal mechanisms to effectively manage any breach of our equal opportunity policy.

Employee Diversity by gender



Employee Diversity by age



Total number of employees	By Age Group - FY 2021-22						By Age Group - FY 2020-21					
	<30 years		30-50 years		>50 years		<30 years		30-50 years		>50 years	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Top Management - MD Directs	-	-	2	-	6	1	-	-	3	-	6	1
Senior Management - VP / SVP	-	-	39	10	19	3	-	-	35	8	16	1
Middle Management - AVP / CM	-	-	104	41	5	1	-	-	94	39	4	-
Junior Management - Below SM	219	186	390	154	11	6	199	136	320	128	10	2

Ratio of the basic salary and remuneration of men to women for each employee category	
Cadre	Remuneration ratio (Male to female)
Top Management – MD and directs	1.65
Senior Management – VP and SVP	1.14
Middle Management – CM and AVP	1.05
Junior Management – SM and below	1.08

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

Number of employees entitled to parental leave (FY 2021-22)	
Male (Number of all active employees who are Male, Married and have less than 2 Children)	Female (Number of all active employees who are Female and have less than 2 Children)
405	381

Total number of employees that took parental leave, by gender (FY 2021-22)	
Male	Female
22	15

Number of employees who were due to return to work in the reporting period after parental leave ended (FY 2021-22)	
Male	Female
22	11

Number of employees that returned to work in the reporting period after parental leave ended (FY 2021-22)	
Male	Female
22	11

Number of employees who returned to work after parental leave ended (in FY 2020-21) that were still employed 12 months after their return to work	
Male	Female
21	4

Return to work rate	
Male	Female
100%	100%

Retention Rate	
Male	Female
100%	80%

1. Employee well-being and development²

Employee Learning & Development

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

Employee Engagement

Understanding employee needs, aspirations and concerns

Employee Wellbeing

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

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 2020-21. 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. The ESS survey scores for FY 2020-21 over FY 2018-19 are as follows:

Scores	FY 2020-21	FY 2018-19
Engagement Score	67	67
Enablement Score	72	69
Women Employees Engagement	68	66
Women Employees Enablement	71	65

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 a 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 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.

1.1.2. 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 stakeholders, our competency framework and the future skills requirement predicted by various research organisations. For FY 2021-22, 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 ₹ 1.17 Crs. 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.

In addition to the learning and development initiatives taken for employees, NSE also adopted online software to cope with the difficulties of the pandemic and enhance the technological capability of the workforce. Some of the initiatives include utilisation of the NSE HRMS (Darwinbox) platform, which is a cloud-based, mobile-enabled, digital Human Capital Management (HCM) system that supports the entire employee life cycle, including leave management, attendance, and performance management. Employee Personal Data, Leave & Attendance, Performance Management, HR Helpdesk, Employee Confirmation Module, Online Separation Module, HR Documents, Employee Transfer and Manager Change Module (Manager Self Service), New Employee Onboarding Module, and Recruitment Module are among the various modules managed by Darwinbox.

For Payroll & Reimbursements, as well as Salary-slip and Tax-sheet access for all NSE personnel, NSEIL utilises the PeopleSoft application as the Human Resource Management System (HRMS). NSE also integrates with collaboration platforms like Microsoft Teams.

We made an investment of approximately ₹1.17 Crs. in employee training and development.

² Information in line with BRR Principle 3, Question 8

Overview of employee training categories

Investment ₹11.2 Lakhs	 <p>Skill Upgradation 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 	 <p>Health and Safety We provide a variety of programmes focused on instilling a proactive approach to health. Our first focus in terms of safety is fire safety. On a regular basis, we provide a 1 hour class that teaches the fundamentals of firefighting to all new joiners. The fire safety hands-on training is done regularly with each session spanning from 1 to 1.5 hours for all the offices across India. In FY 2021-22, 1356 individuals including support staff underwent hands-on training for Fire safety which includes introduction to the firefighting equipment, hands-on usage of the portable fire extinguishers, and other safety equipment. The organisation has also developed an e-Module on same that will be available to all employees in FY 22-23.</p>	
Investment ₹35 Lakhs	 <p>Digitisation Cost Linked Learning, LMS and Content creation platform</p>	Investment ₹2.5 Lakhs	 <p>Policy and Compliance The HR staff introduces every onboarded new joiner to policies and compliance on their first day. The principles and modalities are reinforced over the five-day induction programme, which is designed to orient new employees and familiarise them to various departments and activities.</p>
Investment ₹68.9 Lakhs	 <p>Leadership Skills The expectations of employees in each cadre differ, as do the leadership skills required. We've created long-term journey programmes for each cadre, training personnel for career advancement and the leadership abilities necessary of higher-level positions.</p>		

Details of training hours FY 2021-22

	Employees at Senior management level		Employees at Middle management level		Employees at Junior management level		Total hours
	Male	Female	Male	Female	Male	Female	
Skill Upgradation	84	0	20	20	1,421	897	2,442
Leadership skills	391	68	989	446	3,139	1,815	6,848
Policy and Compliance	195	78	585	117	6,630	4,134	11,739
Health and Safety	5	2	15	3	170	106	301

Average training hours for our permanent employees was 8.44 hours during the reporting year

The journey programmes are intended to satisfy 100% of the target demographic. Other initiatives, such as functional and technical programmes, are directed at the target audience.

Senior Management**Crucial Conversion & Crucial Accountability**

This two-day training aims to encourage alignment and collaboration by enabling open discourse on issues that are viewed as high-stakes, emotive, or risky.

Middle Management**STEP-UP**

Specifically designed for the CM and AVP staff cadres with 60:40 (current: future) skill needs (as these cadres are critical links between execution and leadership). The curriculum includes subjects such as decision-making, team management, and resource management in order to achieve organisational and departmental objectives.

Junior Management SM**emPower**

This four-day workshop is designed to assist employees in making the move to management. The training programme builds capability in areas such as people management, delegation, and effective execution oversight.

Overview of Cadre-Based Programs**Junior Management AM, DM, Manager****SOAR**

This programme is for people who operate in roles that need to deal with execution. The course addresses topics such as personal responsibility and accountability, as well as how to manage oneself and boost efficiency.

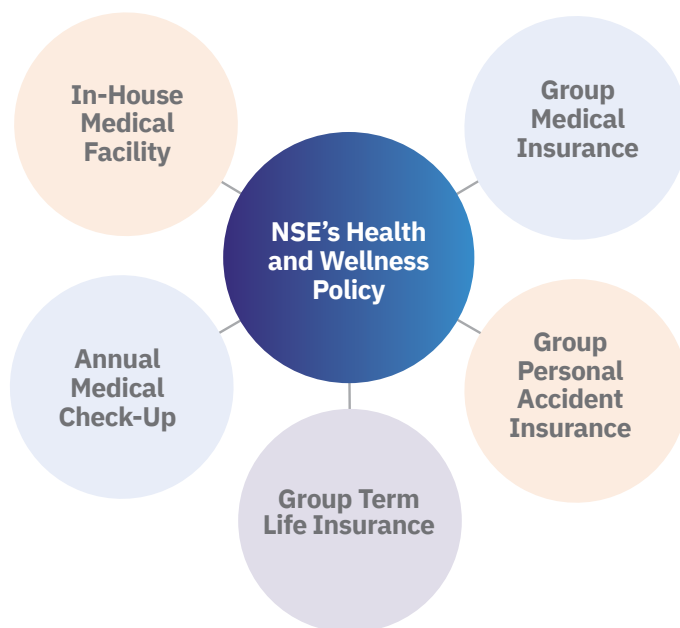
Training & Education	Description
Skill development programmes by NSE	<p>The majority of the Cadre-based programmes are Longitudinal Programs that focus on different life skills as well as job competencies.</p> <p>NSE additionally invests in the development of relevant audiences' functional and technical skill sets.</p> <p>The Learning Experience Platform, which will be live in FY 2022-23, will provide all employees with access to selected content for behavioral, functional, and technical skill development, as well as possibilities for lifetime learning.</p>
Skill development certifications	<p>The intended audience has completed FICCI's Online Certificate Course in Intellectual Property (IPPro), Legal Aspects of Capital Markets, Product Training on Options, Advanced Excel, Java, and Spring Networks. Employees took part in the SHRM ALPHA BFSI Round Table during the 49th National Convention of Company Secretaries.</p> <p>For the current reporting year, the Data Science certification programme draws to a close. Data Science for Consumers (SM and Above), Data Science for Business Users (Focused on Hard Core Concepts), and Data Science for Technology were the three streams (With focus on coding).</p>
Transition Assistance Programmes	<p>All of the programmes are designed to meet 60:40 (current: future) skill requirements, with 60% of the content and skills focusing on existing job development and the remaining 40% on future skill development.</p> <p>NSE also conducts induction programmes which helps new employees to have a better understanding of NSE procedures and systems.</p> <p>Additionally, campus hires go through the technical training that is required for their position.</p>

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 2020-21, 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 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. Additionally, Covid Vaccination Camps for employees and their families were held on the NSE grounds where both doses of the Covishield vaccination were administered to people who were eligible during these camps.



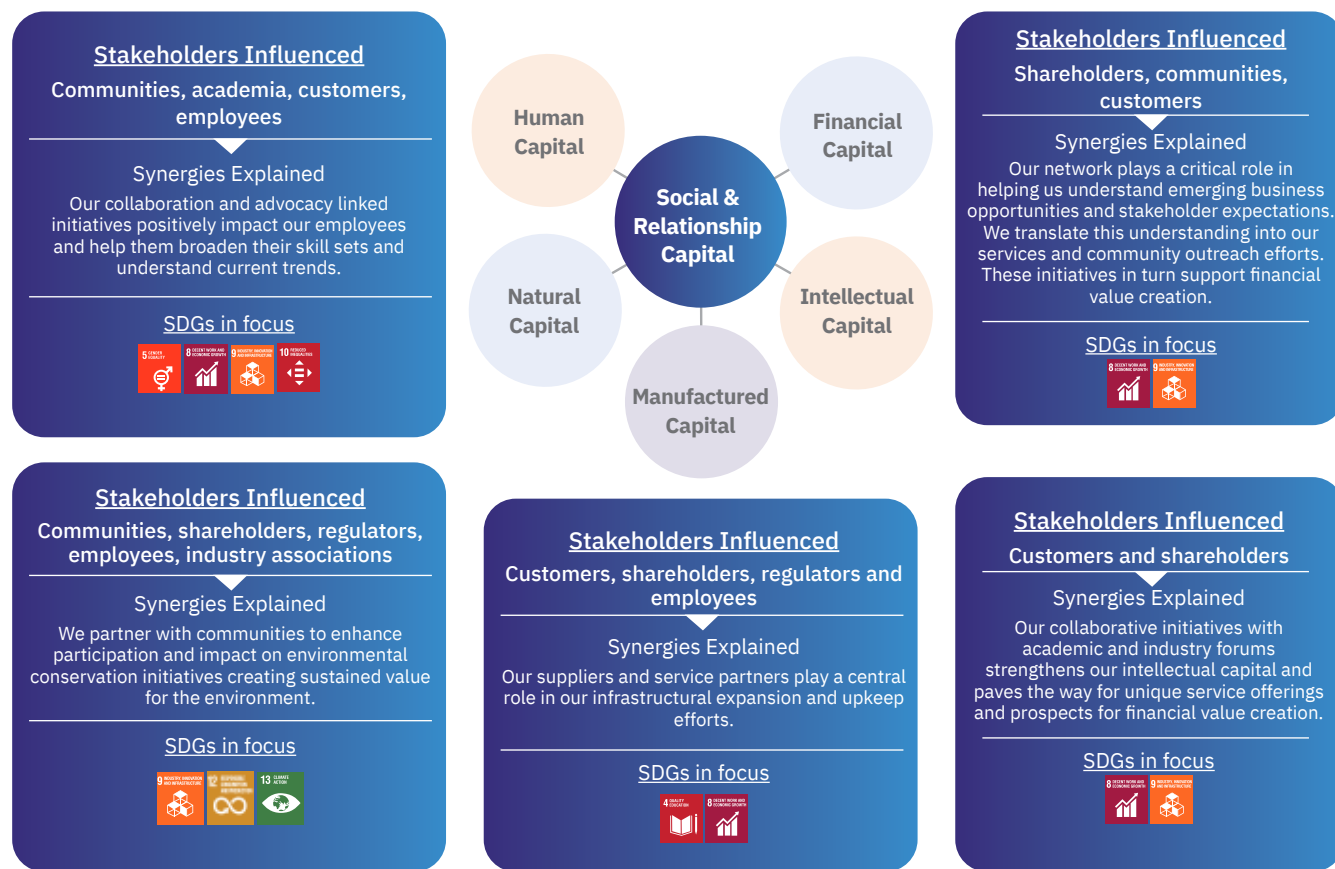
Employee Welfare Initiatives	Total Investment (₹)
Vaccination for employees, Reimbursements of vaccination cost, RTPCR tests	6,50,475
Travel reimbursements during lockdown	63,37,177
WIFI reimbursements for all employees.	44,06,879

Social & Relationship Capital

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

Strategic Intent	Material topics	Performance highlight FY 2021-22	SDGs in focus	Outlook
Build and nurture meaningful and sustainable relationships to enable transformational growth and shared prosperity	<ul style="list-style-type: none"> • Collaboration and advocacy • Community engagement 	<ul style="list-style-type: none"> • Around 17 lakhs lives touched through our community development programs • ₹67.34 Crs. spent on CSR activities • We conducted 3,890 Investor Awareness Programs (IAP) covering over 2.85 lakh participants 		Promote collaborative and multi-stakeholder participatory approach to creating a market culture rooted in sustainability

Interrelationship with capitals



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.

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.³ These sessions are conducted across various geographies in India through the following affiliated bodies:

1. SEBI, SEBI-registered investor associations and NSDL
2. Defence, police, and other administrative groups
3. Small-scale entrepreneurs
4. Jewellers, Traders, Farmers and MSMEs.
5. Institute of Chartered Accountants of India (ICAI), Institute of Company Secretaries of India (ICSI)
6. Rotary clubs, Lions groups, women's self-help groups, etc.
7. Artisans and tradeswomen
8. Educational Institutes
9. Corporates
10. Open programs with the public

Overview of Investor Awareness Programmes (IAPs) FY 2021-22

Financial year	Total no. of IAPS conducted	No. of participants
FY 2021-22	3,890	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 5,000 participants in FY 2021-22.
- The launch of the commodity awareness program on social media drew over 46 lakhs impressions and 20,300 engagements through LinkedIn, Twitter and Facebook in FY 2021-22.
- We took part in celebrating 75 years of India's Independence under the aegis of Azadi ka Amrit Mahotsav by conducting various Investor Awareness Programs

for General Public Pan India. Additionally, we conducted 100 IAPs on the theme of financial Independence with Armed Forces, Police Personnel and NGOs.

- Under the aegis of SEBI and IOSCO, we took part in World Investor Week 2021 and organised Ring the bell event both at NSE Exchange Plaza, Mumbai and NSE IFSC, Gandhinagar. A total of 908 IAPs were conducted Pan India vide webinars during the World Investor Week in which a total of 47,398 participants were present.
- Under the aegis of SEBI and OECD International Network, we took part in the Global Money week 2022, an annual global awareness raising campaign on the financial education. The

program contributed to a total of 40 Investor awareness webinars for students and youth in the age group of 18-30 years covering over 2,400 participants.

Collaborations and advocacy: leveraging synergies to drive positive change⁴

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

³ Information in line with BRR Principle 9, Question 4

⁴ Information in line with BRR Principle 7, Question 2

key trade associations are:⁵

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. Confederation of Indian Industry (CII) 2. Federation of Indian Chambers of Commerce and Industry (FICCI) 3. International Options Market Association (IOMA) 4. PHD Chamber of Commerce and Industry 5. Small & Medium Business Development Chamber of India 6. The Associated Chambers of Commerce and Industry of India 7. The Associated Chambers of | <ol style="list-style-type: none"> 8. Commerce of India (ASSOCHAM) 9. The Foundation for Millennium Sustainable Development Goals 10. World Federation of Exchanges (WFE) 11. Futures Industry Association (FIA) 12. International Organisation of Securities Commissions (IOSCO) 13. World Gold Council (WGC) 14. Indian Bullion and Jewellers association (IBJA) <p>We support the development of sustainable and equitable national policies through active interactions</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

with several governing bodies of the nation's financial, securities and exchange sector. We spearhead and participate in policy linked deliberations through panels, round table conferences and seminars with the market participants, industrial representatives, financial ministry officials and regulators. We also participate in global dialogues on sustainability, economic development and equitable growth through our membership at the Sustainable Stock Exchanges Initiative, the World Federation of Exchanges, and IOSCO.

Overview of key advocacy and capacity building oriented initiatives

During FY 2021-22, the Exchange has conducted a total of 3,890 IAPs vide blend of physical sessions and webinars covering approximately 2.85 lakh participants. 209 IAPs were conducted with SEBI and 485 Commodity Segment focused IAPs were conducted with Jewellers, Traders, Farmers and MSMEs. To make these sessions more interactive, quizzes in commodity market were also conducted as part of these Investor awareness programs. In this regard, as part of 302 commodity IAPs, more than 5,000 participants attended the quiz. Commodity awareness sessions were done vide social media platforms and more than 46 lakh impressions and 20,300 engagements were received on LinkedIn, Twitter and Facebook.

1. Social Media

NSE is leveraging the digital media to communicate with its audience. NSE's official channels - Twitter (@NSEIndia), YouTube (@nseindia), Facebook (@NationalStockExchange), LinkedIn (@nseindia) and Instagram (@nseindia) - 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 557K followers on NSE Twitter, 587K on NSE Facebook, 130K followers on NSE LinkedIn, 77K followers on NSE YouTube and 60K followers on NSE Instagram.

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. 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. NSE Academy's initiatives, including partnerships with state and national school boards and

schools, interactive courses on personal finance and certification programs, teach school children, homemakers and other non-finance professionals the value of investing, provide an introduction to the Indian capital markets and help to develop new market professionals.

The financial year 2021-22 also continued with surge in online and blended learning. The focus was concentrated on online Professional Development Programs, Higher and Executive Education and Corporate partnerships.

⁵ Information in line with BRR Principle 7, Question 1

Key Initiatives / Developments during the Financial Year 2021-22

Accredited Learning Provider' status by LPI

NSE Academy Limited is awarded The Accredited Learning Provider status by The Learning and Performance Institute (LPI). LPI is a global accrediting body for quality learning initiatives. The accreditation is a mark of quality for NSE Academy. As an accredited body, NSE Academy may thereafter accredit other organisations and be a torchbearer of excellence in offering learning programs.

Partnerships on NSE Knowledge Hub

State Bank of India: NSE Academy has collaborated with State Bank of India as Content Partner on NSE Knowledge Hub. Under this collaboration, SBI's digitised eLearning courses and programs content related to BFSI segment shall be onboarded to NSE Knowledge Hub through application programming interfaces. The courses and programs will be delivered through NSE Knowledge Hub portal. Five courses have gone LIVE from February 09, 2022. Six courses are planned for LIVE release end April 2022.

Few other important partnerships on NSE Knowledge Hub are:

- a) Deakin University, Australia
- b) Association for Financial Professional, Singapore
- c) Harappa Learning Private Limited, Delhi
- d) Risk Institute Management Society, USA
- e) Yes Securities
- f) ICICI Securities

TRADE-A-THON

TRADE-A-THON, a national Live Stock Trading Contest conducted by NSE Academy. In its inaugural

year, this annual contest aims to promote prudent trading and investing among youngsters through an engaging learning and gaming experience. Commenced from the 1st week of March 2022, the contest involved one week of training on capital markets, one week of practice on NSMART – NSE Academy's simulated market trading platform, and one week of competition. Even beginners with no prior knowledge of capital markets / trading could learn the concepts in the training sessions and then practice and compete.

Professional Development Program (PDP)

FY 2021-22 also continued with the surge in online Professional Development Programs (PDPs). Online PDPs were conducted on various topics on Financial Markets like Intraday Trading, Technical Analysis, Fundamental Analysis, Options Trading, Financial Modeling, Equity & Financial Derivatives, Index Trading Strategy, Capital Market & Financial Derivatives, Advanced Technical Analysis.

NSE Academy's Industry Readiness Program (NIRP)

Unique programs were designed for students keen to pursue careers in the BFSI (Banking, Financial Services, and Insurance) sector and Capital Markets segment of the BFSI Sector. The programs aimed to impart practical knowledge about the various aspects of Banking and Insurance and Capital Markets and assist students in acquiring essential skills required to perform in the fastest growing segments of the BFSI industry.

Learning and Development (L&D) Initiatives

- a) Source-Train-Assess-Retain (STAR) - a unique hire-train-deploy model for talent sourcing and training for large financial firms.
- b) Placement Officers Workshop for Excellence in Recruitment (POWER) – a unique 5-part intervention program for Placement Officers & Academicians all over India.
- c) On Women's Day March 08, 2022, NSE Academy hosted renowned Financial Planning Author and Speaker Monika Halan for an interesting webinar on 'Financial Freedom for Women'.

Key Collaborations

• Higher Education Institutions

- a) Department of Management Studies, Indian Institute of Technology, Dhanbad
- b) Department of Management Studies, Indian Institute of Technology, Roorkee
- c) Indian Institute of Management, Jammu
- d) Institute of Management & Technology (IMT Hyderabad)
- e) Ashoka University, Sonipat

• Collaboration with Government Bodies and Corporates

- a) Reserve Bank of India
- b) NABARD
- c) NTPC
- d) HDFC AMC
- e) India First Insurance
- a) SBI Mutual Funds
- b) Tata Capital Housing Finance
- c) Bajaj Allianz Life Insurance
- d) Aditya Birla Capital
- e) Axis Bank

4. Ring the Bell ceremony for Financial literacy in the World Investor Week 2021

Exchange also took active participation in World Investor Week 2021 held from November 22 - 28, 2021. To celebrate this occasion, 'Ring the Bell' event was conducted at NSE Exchange Plaza at the hands of Shri G P Garg, Executive Director, SEBI and by Shri Manoj Kumar, Executive Director, IFSCA at NSE IFSC, Gift City, Gandhinagar. A total of 908 IAPs were conducted Pan India vide webinars during the World Investor Week in which a total of 47,398 participants were present. 31 IAPs were conducted in association with SEBI. Focused Investor Awareness sessions along with Trading Members were conducted for New Investors in Securities

Markets. Nurture Your Prosperity (NYP) – a new initiative series to young entrepreneurs / start-ups conducted jointly in collaboration with Maharashtra Centre for Entrepreneurship Development (MCED) in various regions of Maharashtra such as Solapur, Kolhapur, Sindhudurg, Pune etc. Various investor awareness messages, informative quizzes and email campaign were posted on social media viz. Facebook, Twitter, Instagram, LinkedIn and You tube. NSE along with SEBI and NSDL actively participated in celebrating 75 years of India's Independence under the aegis of Azadi ka Amrit Mahotsav by conducting various

Investor Awareness Programs for General Public Pan India. NSE had separately conducted 100 IAPs on the theme of financial Independence with Armed Forces, Police Personnel and NGOs.

Exchange also participated in 'Global Money Week – 2022' which is an 'Annual Global Awareness Raising Campaign' organised under the aegis of OECD International Network on Financial Education. A total of 40 Investor awareness Webinars were conducted for students and youth between the age group of 18-30 years covering more than 2,400 participants.

Community engagement⁶

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.

Overview of program implementation⁷

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
- Ministry of Social Justice and Empowerment (MoSJE)
- 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 multi-pronged approach of periodic programmatic and financial review as well as third party impact assessments conducted by specialised organisations with the requisite expertise.

We currently partner with 49 specialised organisations to support our community development programs across our six CSR focus areas

⁶Information in line with BRR Principle 4, Question 3 and Principle 8, Question 1

⁷Information in line with BRR Principle 8, Question 2

Scale up programmes

The Ministry of Social Justice and Empowerment (MoSJE), which is committed to the task of ensuring dignified living for the elders, has created a number of large-scale programmes to improve the status of the elderly in India. Recognising the success of the NSE Foundation elder care model, which showcases the positive outcome of collective action and productive work, the Ministry has taken up the same to be replicated at scale across 13 States in collaboration with the National Rural Livelihood Mission (NRLM) and their counterparts at the state level. Accordingly, 10,000 Action Groups Aimed At Social Reconstruction' (AGRASR) (Elders Self Help) Groups, under the National

Action Plan for Senior Citizens would be constituted with NSE Foundation and its local partner acting as a technical support unit.

Pan-India project

We played a pivotal role in the elder helpline project (14,567) as a technical support unit to facilitate the rollout across 28 States, and the same was dedicated to the elders of our nation on October 01, 2021 by Hon'ble. Vice President Shri Venkaiah Naidu, and other ministers from Ministry of Social Justice and Empowerment (MoSJE).⁸

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 2021-22, given the constraints imposed by the COVID-19 pandemic, on-site employee volunteering activities were restricted. Notwithstanding the constraints, we undertook initiatives that provided urgent relief material (basic housing material for the roofs) to families in Valsad district, Gujarat, that bore the brunt of cyclone Tauktae, distribution of food kits to vulnerable communities in Mumbai among others.

Knowledge series on environmental sustainability

A knowledge dissemination series was initiated on environmental sustainability in FY 2021-22. The first part of the series was a virtual conference organised by NSE Foundation & Tata Trust on 'Challenges & Opportunities for Drinking Water Security in Tribal Areas'. The conference shed light on technology for effective water management in tribal areas, and community mobilisation learnings in tribal areas. The conference was attended by Shri Bharat Lal, Addl. Secretary & Mission Director, Dr. Sanjay Chahande, Addl. Chief Secretary, WSSD, Government of Maharashtra, Dr. Mallinath Kalshetti, Retd. District Collector and District Magistrate, Nandurbar, along with experts from IIT Madras, UNICEF, Tata Trusts, State Government and district administration.

The second part of the series was held at the NSE Exchange Plaza on waste management, particularly ocean waste and how it can be reused, recycled and repurposed. Some speakers and experts included design thinker

Cyrril Gutsch who has worked to rid our oceans of the plastic waste and has commercially repurposed ocean waste, Erik Solheim (Former Executive Director, UN Environment Programme), Satya Tripathi (Secretary-General of the Global Alliance for a Sustainable Planet) and Shri Aditya Thackeray Hon. Minister of Tourism and Environment, Government of Maharashtra. Audience members consisted of participants from UN Agencies, government bodies, corporates, sustainability heads of corporates, select NGOs and NSE employees.

Overview of CSR focus areas and key initiatives⁹

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 4 of Board's Report.

• Primary education:

According to the latest SDG Index report published by NITI Aayog, 2.97% of children in the 6-13 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 Bn 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.

Primary education
22 programs
1,13,100+
Lives touched

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

⁸ Information in line with BRR Principle 8, Question 3

⁹ Information in line with BRR Principle 8, Question 4, and Question 5

• Elder care:

India is home to over 103.9 Mn 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 2,026. 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
8 programs
24,400+
Lives touched

• Sanitation & 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 Mn 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
17 programs
5,14,890+
Lives touched

• 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.

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
7 programs
1,29,000+
Lives touched

• 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.

Focus area output
3 programs
2,650 +
Lives touched

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.

Key skill development & Entrepreneurship linked national schemes in focus for the CSR thrust area include National skill development mission and National policy for Skill development and Entrepreneurship 2015

Focus Area output 3 programs 2650+ lives touched

Health & 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.

Funding of incubators

With a population of more than 1.3 Bn, India faces complex challenges related to safe water, clean air, lack of good nutrition, primary education and access to healthcare amongst a host of other pressing issues. In a developing country like India, to achieve inclusive development, scientific and technological applications and innovations are the primary driver of progress, cutting across sectors as they provide quick, accessible, scalable, integrated and cost-effective solutions.

Goal:

To fund incubators through academic institutions of eminence, organisations or entities as may be listed or notified from time to time under Schedule VII of the Companies Act, 2013, with an aim to create thorough research and development, digital and other scientific solutions to the problems faced within the NSE Group CSR focus area sectors especially in primary education, health care delivery, elder care, environmental issues, WASH (water sanitation and hygiene) skill development etc.

Besides creating innovative technology solutions and products, for the social or development issues in the approved CSR sectors, this would help achieve scalability which otherwise could not be accomplished, so as to reach a much larger number of beneficiaries residing in the far-flung areas, especially the aspirational districts. So as to encourage innovation, the goals would also include, the support of incubator led hackathons held through IITs etc. in order to enable bright engineers or students in research to build and provide solutions for pressing problems in the selected CSR focus areas of the NSE Group CSR policy.

Focus area output
5 programs
59,000+
Lives touched

Disaster relief and rehabilitation

We collectively experienced a global health emergency of unprecedented scale. 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
6 programs
2,05,000+
Lives touched

Covid Pandemic:

Response: measures undertaken to provide urgent support

With the second wave of the pandemic, the situation evolved differently each day. The highly infectious Delta variant led to a rapid rise in cases, strained the health infrastructure, and pushed people back into another lockdown. We believed it needed a concerted effort on multiple fronts, especially in underserved locations: provide food and rations to the marginalised, equip medical facilities to deal with infections, and facilitate vaccination to mitigate the effects of the future waves.

NSE Foundation provided a month's basic food supplies across metros and vulnerable communities, especially those who were left out of the public distribution system or could not access mid-day meals during the lockdown. The relief addressed the needs of those with little or no money to pay for their food and living, as well as family members who accompanied patients for treatment in Government or charitable hospitals who found it difficult to access food due to the lockdown.

The second wave saw a number of patients with decreased oxygen levels and a healthcare system ill-equipped to deal with the crisis. A captive oxygen plant in a hospital could generate oxygen, doing away with the need for concentrators and reducing the risk of supply disruption. Eight oxygen plants were installed in hospitals that were outside the purview of PM CARES' oxygen plants. NSE Foundation

ensured operation and maintenance and capacity building of hospital staff and provided smaller equipment such as oxygen cylinders and concentrators to hospitals. The intervention was carried out in multiple locations: Karauli in Rajasthan, Ramanathapuram and Chennai in Tamil Nadu, Birbhum and Kolkata in West Bengal, Nandurbar, Osmanabad and Mumbai in Maharashtra, Delhi, Ahmedabad, Kiphire in Nagaland, and Jamshedpur.

Resiliency: Vaccination facilitation against Covid

While the infrastructure would help hospitals deal with subsequent waves of infection, there was one challenge that needed urgent and sustained intervention: vaccination. In rural areas, it had not picked up for multiple reasons: lack of internet connectivity (and therefore, poor registration on the Cowin website), digital illiteracy, apprehensions about vaccine safety,

and low availability of doses against demand.

NSE Foundation responded to the call to action by the Prime Minister and the National Disaster Management Agency and mobilised more than 35 NGO partners to address the issues of vaccine hesitancy and resistance, work in close coordination with the administration and facilitate the Government's efforts in preventing a rise in COVID-19 infections. Project CAVACH was designed to create awareness, register citizens and aid the process to ensure vaccination across Aspirational Districts Karauli in Rajasthan, Ramanathapuram in Tamil Nadu, Nandurbar and Osmanabad in Maharashtra and Kiphire in Nagaland. The aim was to ensure maximum penetration of the Government's vaccination efforts.

The programme was rolled out in three phases: pre vaccination, during




vaccination and post vaccination and has facilitated the vaccination of more than 7 lakh beneficiaries in the 5 aspirational districts. Activities included door-to-door and village-level counselling, online registration, mobilisation, transportation to and from the camps, vaccination site facilities and arrangements where required. In the post-vaccination phase, a 24x7 helpline was started for counselling in case of reactions, and the community mobilisation is repeated for the second dose in close coordination with the district administration.

Project CAVACH
35+ NGOs
7,20,809
Vaccinations facilitated



Natural capital

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

Strategic Intent	Material topics	Performance highlight FY 2021-22	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 renewable source –36,681.73 Giga Joules (GJ) Energy Conservation 25,194 Kilo Watt Hours (kWh) Water Recycled –19,595 Kiloliters (KL) Manure generated from waste –196 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.

Interrelationship between capitals



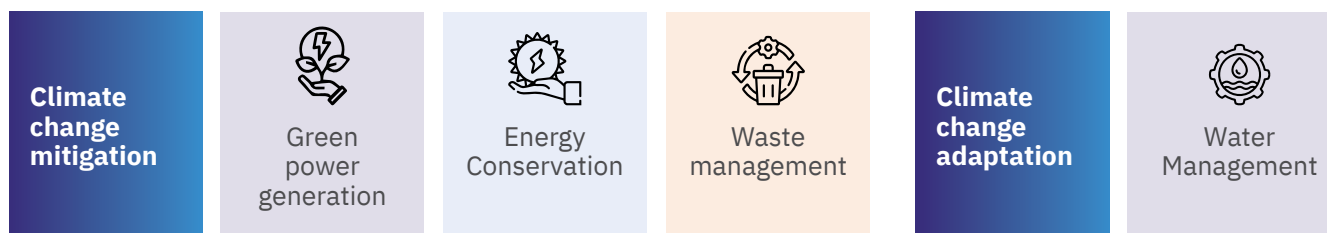
Capital Tradeoffs: Capital Tradeoffs: Our manufactured and human capital are closely dependent on the utilisation of natural capital. This dependency enables value creation in the financial and intellectual capital of our Company. While our focus is on maximising the value created through these interdependencies, 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.¹⁰ Our environmental policy (https://www1.nseindia.com/global/content/about_us/NSE_Env_Policy.pdf)¹¹ articulates our commitments, actions and strategic intention in the area of environmental protection. To deliver on our environmental action plan, we are steadfast to 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 consumption trends to identify conservation 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.¹²



Overview of our climate mitigation measures¹³

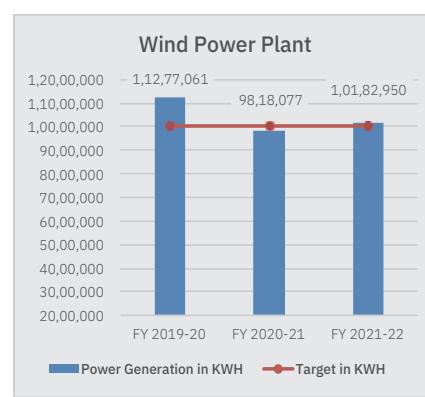
We at NSE, have taken several initiatives in the areas of energy conservation, green / renewable energy which demonstrates our commitment towards minimising our environmental impact.

1. Green Power Generation:

a. Wind Power Plant:

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

off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid. Accordingly, the aforesaid Wind Power Plant has generated approximately 3.7% more electricity units i.e., 1,01,82,950 electricity units in the FY 2021-22 as compared to previous reporting year along with achieving 1,82,950 kWh of wind energy more than our set targets for FY 2021-22.



Energy consumed from wind source in FY 2021-22

1,01,82,950 kWh

¹⁰ In line with BRR principle 6, Question 6,7

¹¹ In line with BRR principle 6, Question 1 and Question 2

¹² In line with BRR principle 6, Question 3

¹³ In line with BRR principle 2, Question 2

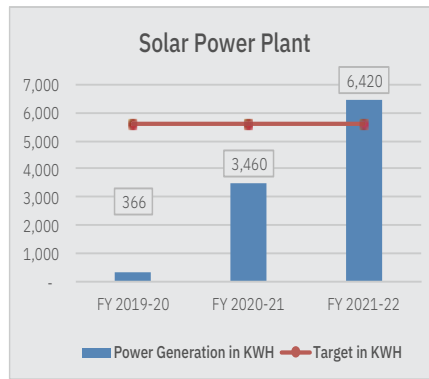
b. Solar plant

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 initiative has helped us to save around 6,420 units in the FY 2021-22, 85.5% more

as compared to previous financial year. We had a target of 5,600 kWh of solar energy generation for the current reporting year and ensured to overachieve our target by generating 820kWh of additional solar energy from the solar power plants installed by us.

Solar energy generated during FY 2021-22

6,420 kWh



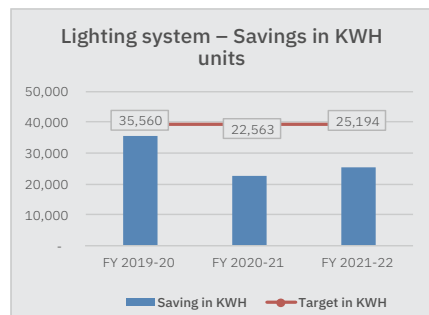
2. Energy Conservation

a. 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. Lighting transformers and installation of LEDs have helped us enhance our power savings by 11.6%, i.e., 25,194 units in the FY 2021-22 as compared to previous reporting year.

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 has helped to reduce the extra energy consumption at the premises. Thermal energy storage systems have helped NSE save around 15,052 Demand KVA in FY 2021-22.

on the occupancy in the respective areas.



d. 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.

b. Thermal energy storage system:

Thermal Energy Storage System has been introduced in the Air-Conditioning (AC) System at Exchange Plaza. It was

c. Occupancy sensors:

Motion/Occupancy Sensors have been installed at the entire Office areas to operate the Lights automatically based

e. 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

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 36,627.24 KL of fresh

water (municipality water).

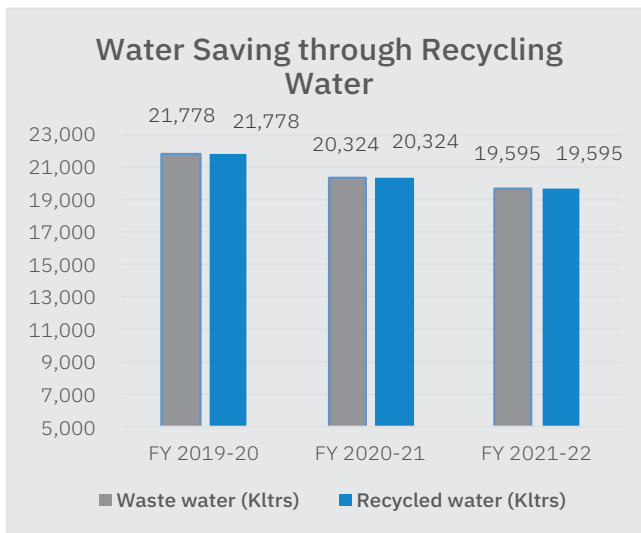
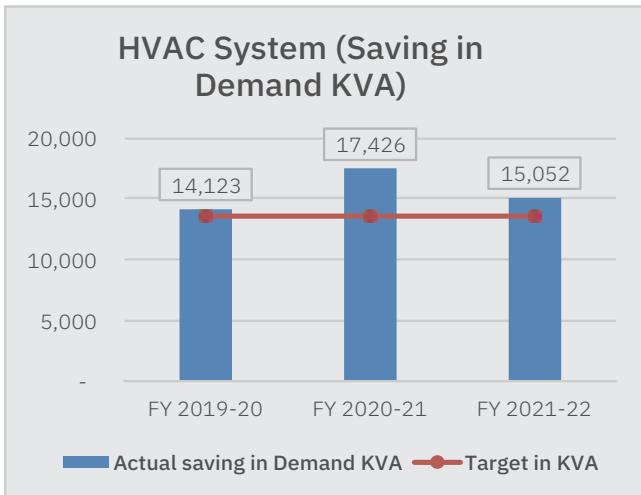
a. Water recycling - Sewerage Treatment Plant (STP):

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 Airconditioning System and for gardening purposes every day. This way NSE has saved around 19,595 Kilolitres of Water in the FY 2021-22.

b. 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. Through our rainwater harvesting system, we harvested approximately 2.1% more rainwater as compared to previous year and exceeded our target by approximately 11.55%.



Water recycled through our STP
19,595 Kiloliters

Rainwater harvested
36,179 Kiloliters

4. Waste management:¹⁴

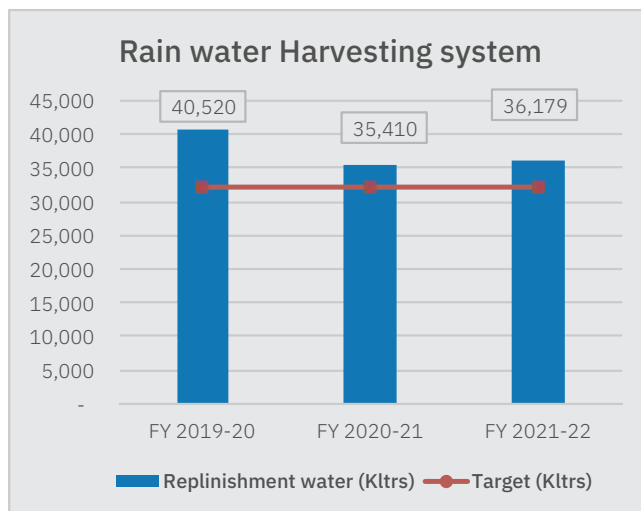
We at NSE, are committed to embedding the three “R” approach for managing waste viz. ‘Reduce, Reuse and Recycle’. We have installed systems and processes to monitor our waste generation. Considering the nature of our business, we primarily generate a significant amount of domestic and E-waste. We have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

a. Vermiculture plant:

The compostable material like food waste collected from canteen, garden organics, paper and cardboard gets collected at one place.

Post shredding, the aforesaid organic material gets loaded into Vermiculture plant for the decomposing process. Post 7 days of an on-going process, vermicompost / manure get generated and is being used for Gardening purposes.

From the vermiculture plant, NSE has generated around 196 Kg of manure in FY 2021-22.



Manure generated
196 Kilograms

b. Waste disposal

The Company believes in reduce, recycle, and reuse and manages its waste efficiently through various initiatives such as Vermiculture system, Sewage treatment plant. We reduce the E-waste and ensure that the E-waste generated is recycled efficiently.

For FY 2021-22, we have disposed 7,712.4 Kg of solid waste and 340 Liters of waste oil through authorised E-waste Vendors shortlisted by Central Pollution Control Board (CPCB)/

Maharashtra Pollution Control Board (MPCB).

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 corpo-rate players to contribute and collaborate for creating positive environmental impact.

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

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	2021-22
7.	Sector(s) that the Company is en-gaged 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]

¹⁴ In line with BRR principle 2, question 5

8.	List three key products/ services that the Company manufactures/provides (as in Balance Sheet)	Trading platform for securities Listing of securities Investor Education
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: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹):	49.50 Crs.
2.	Total Turnover (₹):	9,500 Crs.
3.	Total profit after taxes (₹):	5,198 Crs.
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	1.30%
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: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, we have the following direct/indirect subsidiaries:

1. NSE Clearing Limited
2. NSE Investments Limited
3. NSE Data and Analytics Limited
4. NSE Indices Limited
5. NSE IT Limited
6. NSEIT US Inc.
7. NSE Infotech Services Limited
8. NSE Academy Limited
9. NSE IFSC Limited
10. NSE IFSC Clearing Corporation Limited
11. NSE Foundation
12. Aujas Cybersecurity Limited
13. Talentsprint Private Limited
14. Talentsprint Inc.
15. Cogencis Information Services Limited
16. CXIO Technologies

a) Details of compliance (Reply in Y/N)

8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the Policy / policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	Yes, there is an internal framework and in-house structure established to implement the policies								

* The policies are developed and aligned with the following standards prescribed by /under:-

- Securities and Exchange Board of India
- Ministry of Corporate Affairs Guidelines
- Applicable legal requirements
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The Company's internal requirements, detailed consultations, and research on the best practices adopted by peers and organisations across the industry

** The policies are approved by the Board and signed by the heads of the respective department responsible for the implementation.

*** The policies are available on our internal portal, which can be made available on request.

**** The policies are available on the internal portal for all the internal stakeholders.

b) If the answer against any of the Principles is 'No' in the table above please explain the reason by marking a 'O' against the appropriate reason

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within the next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board, or CEO 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/investorrelations/annual-reports>.

Section E: Principle-Wise Performance

For each of the questions in this section the relevant section from the report is mapped with a relevant section 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, 2022	
	Companies	Trading Members
No. of Complaints pending at the beginning of the year	558	1,322
No. of Complaints received during the year	5,042	9,050
No. of Complaints redressed during the year	4,914	9,927
No. of Complaints pending at the end of the year	686	*445

* Out of 445 complaints pending, 73 complaints pertain to disabled members, against whom disciplinary proceedings are underway

Categories	Year ended March 31, 2022
No of Arbitration cases pending at the beginning of the year	153
No. of Arbitration cases received during the year	335
No. of Arbitration cases redressed during the year	331
No. of Arbitration cases pending at the end of the year	157

Categories	Year ended March 31, 2022
No of claims received against defaulter/expelled members	27,503
No. of claims processed	25,773

Note: 1. Above data includes review requests/claims.

2. No of claims processed represents claims placed before the committee.

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 → Performance highlight FY 2021-22.

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 → Performance highlight FY 2021-22

Natural Capital → Waste Management

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

1. Please indicate the total number of employees.

1,197

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

16

3. Please indicate the number of permanent women employees.

402

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 labour, forced labour, involuntary

labour, 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 → Details of training hours FY 2021-22

Human capital → Overview of employee training categories

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

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

Our approach to sustainable value creation → Stakeholder engagement and materiality assessment

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

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.

Social and Relationship Capital → Community engagement

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 our internal and external stakeholders emboldens our vision for protection of human rights. Aligned with this policy, we strictly prohibit 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 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 2021-22, 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 → Introduction

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

Natural Capital → Introduction

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

Natural Capital → Introduction

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 → Overview of our climate mitigation measures

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 → Introduction

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 → Introduction

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 → Our commitment to our customers → Collaborations and advocacy

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 → Our commitment to our customers → Collaborations and advocacy

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 → Community engagement

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

Social and Relationship Capital → Overview of program implementation

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

Social and Relationship Capital → Community engagement → Pan-India project

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 → Overview of CSR focus areas and key initiatives

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

Social and Relationship Capital → Overview of CSR focus areas and key initiatives

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 FY 2021-22, 44 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 behaviour 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 (NCLAT)- Appeal has been filed against the CCI order dismissing a Complaint filed against NSE, alleging that Colocation services provided by the Exchange are discriminatory in nature and are in violation of Competition Act. The matter has been reserved for orders.

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

Social and Relationship Capital → Our commitment to our customers

Board's Report

To,
The Members,

Your Directors have pleasure in presenting the Thirtieth 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, 2022.

1. OPERATIONS AND MAJOR DEVELOPMENTS DURING THE YEAR

1.1. Global rankings - Derivatives Market

1.1.1 All products

NSE was again ranked first globally in the derivatives segment based on the total number of contracts traded during the calendar year 2021. The number of traded contracts at NSE stood at 17.26bn in 2021—almost double the number of contracts traded in the previous year and ~97% higher than the Brazilian B3 (Brasil Bolsa Balcão) Exchange (8.76bn contracts), followed by CME Group at 4.9bn contracts. Among the top 10 exchanges globally, four were from the US, three from China and one each from India, Brazil and Korea.

Table 01: Top 10 exchanges in derivatives market in the calendar year 2021

Rank	Exchange	Country	No. of Contracts traded (Mn)
1	National Stock Exchange of India	India	17,255
2	B3 - Brasil Bolsa Balcão	Brazil	8,756
3	CME Group	US	4,943
4	Intercontinental Exchange	US	3,318
5	Nasdaq	US	3,293
6	CBOE Holdings	US	3,096
7	Zhengzhou Commodity Exchange	China	2,582
8	Shanghai Futures Exchange	China	2,446
9	Dalian Commodity Exchange	China	2,364
10	Korea Exchange	Korea	2,282

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-hits-another-record-2021>

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 1.7bn contracts traded, followed by Korea Exchange, B3 from Brazil and Moscow Exchange. While Borsa Istanbul, Korea Exchange and B3 maintained their leads in global rankings, NSE slipped from its fourth position in 2020 to fifth in 2021 and recorded a 1.5% drop in the total number of contracts traded over the year.

Table 02: Top 10 exchanges in single stock futures in the calendar year 2021

Rank	Exchange	Country	No. of Contracts traded (Mn)
1	Borsa Istanbul	Turkey	1,749
2	Korea Exchange	Korea	1,225
3	B3 - Brasil Bolsa Balcão	Brazil	939
4	Moscow Exchange	Russia	284
5	National Stock Exchange of India	India	253
6	Deutsche Boerse AG	Germany	93
7	Taiwan Futures Exchange	Taiwan	75
8	Thailand Futures Exchange	Thailand	70
9	Pakistan Stock Exchange	Pakistan	65
10	Johannesburg Stock Exchange	South Africa	25

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

1.1.3 Single Stock Options

Tehran's Iran Fara Bourse Securities Exchange showed spectacular growth to claim the top spot in the single stock options segment with 2.8bn contracts traded in 2021. Nasdaq-US slipped a notch down to the second rank in the segment with 2.3bn contracts traded in 2021, followed by B3 from Brazil and four additional exchanges from the US. NSE's rank also dropped a notch lower to the eighth position with a total of 598m contracts traded in 2021, a ~120% increase YoY.

Table 03: Top 10 exchanges in single stock options in the calendar year 2021

Rank	Exchange	Country	No. of Contracts traded (Mn)
1	Iran Fara Bourse Securities Exchange	Iran	2,764
2	Nasdaq - US	US	2,337
3	B3 - Brasil Bolsa Balcão	Brazil	1,835
4	CBOE Global Markets	US	1,715
5	NYSE	US	1,232
6	MIAX Exchange Group	US	963
7	International Securities Exchange	US	842
8	National Stock Exchange of India	India	598
9	Deutsche Boerse AG	Germany	202
10	Hong Kong Exchanges and Clearing	Hong Kong	157

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

1.1.4 Stock Index Futures

In case of stock index futures, NSE slipped three positions lower, dropping out of top ten exchanges and was the 11th largest exchange in the world with 89m contracts traded during the calendar year 2021. Brazil's B3 continued to perform well in the segment and topped globally with 4.6bn contracts traded, followed by CME group and Deutsche Boerse AG with 1.2bn and 423m contracts traded respectively. Exchanges from Japan, Russia and Singapore also performed well in the segment, though all exchanges in top ten, except B3 and Taiwan Futures Exchange, registered a year-on-year fall in the number of contracts traded.

Table 04: Top 10 exchanges in stock index futures in the calendar year 2021

Rank	Exchange	Country	No. of Contracts traded (Mn)
1	B3 - Brasil Bolsa Balcão	Brazil	4,636
2	CME Group	US	1,200
3	Deutsche Boerse AG	Germany	423
4	Japan Exchange Group	Japan	281
5	Moscow Exchange	Russia	170
6	Singapore Exchange	Singapore	169
7	Taiwan Futures Exchange	Taiwan	118
8	Korea Exchange	Korea	118
9	Hong Kong Exchanges and Clearing	Hong Kong	101
10	Borsa Istanbul	Turkey	95

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

1.1.5 Stock Index Options

Contrary to the performance seen in stock index futures, NSE further consolidated its lead in the stock index options segment with 13.9bn contracts traded during the calendar year 2021, more than double of that in the previous year and nearly 18x higher than the second largest—Korea Exchange.

Table 05: Top 10 exchanges in stock index options in the calendar year 2021

Rank	Exchange	Country	No. of Contracts traded (Mn)
1	National Stock Exchange of India	India	13,889
2	Korea Exchange	Korea	759
3	CBOE Global Markets	US	497
4	Deutsche Boerse AG	Germany	355
5	Taiwan Futures Exchange	Taiwan	198
6	CME Group	US	190
7	India International Exchange	India	167
8	B3 - Brasil Bolsa Balcão	Brazil	70
9	China Financial Futures Exchange	China	30
10	Tel-Aviv Stock Exchange	Israel	26

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

1.1.6 Currency Futures

In the currency futures segment, Moscow Exchange has again topped with 880m contracts traded in 2021. NSE overtook B3 - Brasil Bolsa Balcão to claim the second spot with 807m contracts traded in 2021. BSE has also performed well in the segment and ranked fourth with 349m contracts traded over the year.

Table 06: Top 10 exchanges in currency futures in the calendar year 2021

Rank	Exchange	Country	No. of Contracts traded ('000)
1	Moscow Exchange	Russia	8,80,297
2	National Stock Exchange of India	India	8,07,300
3	B3 - Brasil Bolsa Balcão	Brazil	7,66,421
4	BSE Limited*	India	3,49,303
5	CME Group	US	1,91,925
6	Matba Rofex	Argentina	1,10,752
7	Korea Exchange	Korea	1,00,221
8	Borsa Istanbul	Turkey	96,247
9	Johannesburg Stock Exchange	South Africa	32,326
10	Singapore Exchange	Singapore	26,565

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

Almost doubling the contracts traded year-on-year to 1.5bn in 2021, NSE solidified its lead among global exchanges in the currency options segment. BSE followed up at the second place, while Moscow Exchange replaced Johannesburg Stock Exchange to emerge as the third largest exchange in this segment in terms of number of contracts traded.

Table 07: Top 10 exchanges in currency options in the calendar year 2021

Rank	Exchange	Country	No. of Contracts traded ('000)
1	National Stock Exchange of India	India	14,60,359
2	BSE Limited*	India	4,62,232
3	Moscow Exchange	Russia	26,435
4	Johannesburg Stock Exchange	South Africa	19,667
5	Tel-Aviv Stock Exchange	Israel	11,694
6	CME Group	US	9,330
7	B3 - Brasil Bolsa Balcão	Brazil	5,153
8	Borsa Istanbul	Turkey	748
9	Bolsa Mexicana de Valores	Mexico	29
10	Matba Rofex	Argentina	19

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 segment, NSE slipped three notches lower in 2021 to get placed as the 13th largest exchange in the world with 1.7m contracts traded over the year. Among others, CME Group was ranked first with 1.8bn contracts traded, followed by B3 - Brasil Bolsa Balcão and Deutsche Boerse AG with 695m and 550m traded contracts respectively.

Table 08: Top 10 exchanges in interest rate futures in 2021

Rank	Exchange	Country	No. of Contracts traded (Mn)
1	CME Group	US	1,819
2	B3 - Brasil Bolsa Balcão	Brazil	695
3	Deutsche Boerse AG	Germany	550
4	ICE Futures Europe	US	398
5	ASX Australian Securities Exchange	Australia	123
6	Bourse de Montreal	Canada	75
7	Korea Exchange	Korea	54
8	China Financial Futures Exchange	China	25
9	Johannesburg Stock Exchange	South Africa	12
10	LSE Group London Stock Exchange	UK	9

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

1.1.9 Interest Rate Options

The CME Group topped in the interest rate options segment with 500m contracts traded in 2021. Brazil's B3 moved up a rank to stand at second place, replacing ICE Futures Europe, which now stands at third place in terms of number of contracts traded. NSE which stood 8th in 2020 did not show up in this segment as no interest rate options were traded on the exchange in 2021.

Table 09: Top 9 exchanges in interest rate options in 2021

Rank	Exchange	Country	No. of Contracts traded (in '000)
1	CME Group	US	4,99,913
2	B3 - Brasil Bolsa Balcão	Brazil	1,38,770
3	ICE Futures Europe	UK	79,810
4	Deutsche Boerse AG	Germany	53,098
5	Nasdaq Nordic and Baltics	US	6,075
6	Johannesburg Stock Exchange	South Africa	604
7	Bourse de Montreal	Canada	360
8	Japan Exchange Group	Japan	194
9	ASX Australian Securities Exchange	Australia	49

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

1.2 Global Rankings - Capital Market

NSE maintained its position as the fourth largest exchange in the capital market segment with 5.4bn trades in 2021, while the segment was led by two Chinese exchanges – Shenzhen Stock Exchange was ranked first in the segment with 9.4bn trades, followed by Shanghai Stock Exchange that moved a notch higher with 7.0bn trades. Korea Exchange slipped from second to third position with 5.5bn trades, while the US exchanges including Nasdaq – US, CBOE Global Markets and NYSE, followed behind NSE with under 4bn trades on an average over the year.

Table 10: Top 10 exchanges in the capital market segment in during the calendar year 2021

Rank	Exchange	Country	No. of Trades (Mn)
1	Shenzhen Stock Exchange	China	9,446
2	Shanghai Stock Exchange	China	6,984
3	Korea Exchange	Korea	5,517
4	National Stock Exchange of India	India	5,421
5	Nasdaq - US	US	3,856
6	CBOE Global Markets	US	3,514
7	NYSE	US	3,126
8	Japan Exchange Group	Japan	871
9	B3 - Brasil Bolsa Balcão	Brazil	845
10	Borsa Istanbul	Turkey	635

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. As of December 31, 2021, the NYSE and NASDAQ had an overall market capitalisation of US\$28trn and US\$25trn respectively, significantly higher than other global exchanges, with their Chinese, Japanese and European counterparts hovering in the US\$5-8trn bracket. NSE moved a notch higher and entered the top 10 rankings at the 10th position with total market capitalization of US\$3.6trn as of December 2021.

Table 11: Top 10 exchanges in terms of market capitalization as of Dec'2021

Rank	Exchange	Country	Market Capitalisation (USD Trn.)
1	NYSE	USA	27.69
2	Nasdaq – US	USA	24.56
3	Shanghai Stock Exchange	China	8.15
4	Euronext	Europe	7.33
5	Japan Exchange Group	Japan	6.54
6	Shenzhen Stock Exchange	China	6.22
7	Hong Kong Exchanges and Clearing	Hong Kong	5.43
8	BSE Limited*	India	3.95
9	LSE Group London Stock Exchange	UK	3.80
10	National Stock Exchange of India	India	3.55

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 ₹ exchange rate of ₹ 74/\$. <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=4&ssid=80&smid=107>

1.4 Commodity Derivatives

During FY 2021-22, NSE Commodity Derivatives segment witnessed a total turnover of ₹ 2,273 Crs. in futures and premium turnover of ₹ 130 Crs. in options. The Average Daily Turnover (ADT) in commodity derivatives for the FY 2021-22 stood at ₹ 13 Crs.

During FY 2021-22, physical settlement of more than 70 Kgs of gold was handled in the Gold Mini and Gold (1G) contracts.

During the year, NSE Commodity Derivatives segment saw the launch of Gold (1 gram) Futures. With this launch, NSE has several commodity derivatives listed on its platform such as Gold (1Kg, 100 grams and 1 gram), Silver, Copper and Brent Crude Oil in the Futures segment and Gold Mini (100 grams), Silver and Copper in Options on Goods segment.

The Crude Degummed Soybean Oil (CDSO) contract in the Agricultural segment was discontinued in December 2021 due to regulatory guidelines.

1.5 Capital Market (CM segment)

The total turnover of CM segment in the year 2021-22 is ₹ 1,65,66,237 Crs. as compared to ₹ 1,53,97,908 Crs. in the year 2020-21, showing an increase of 7.59%. The average daily traded value in 2021-22 is ₹ 66,799 Crs. as compared to ₹ 61,838 Crs. in 2020-21.

As on March 31, 2022, the number of listed companies available for trading was 2,011 compared to 1,910 at the end of March 31, 2021.

Figure 01: Month-wise Turnover and Average Daily Turnover in CM segment

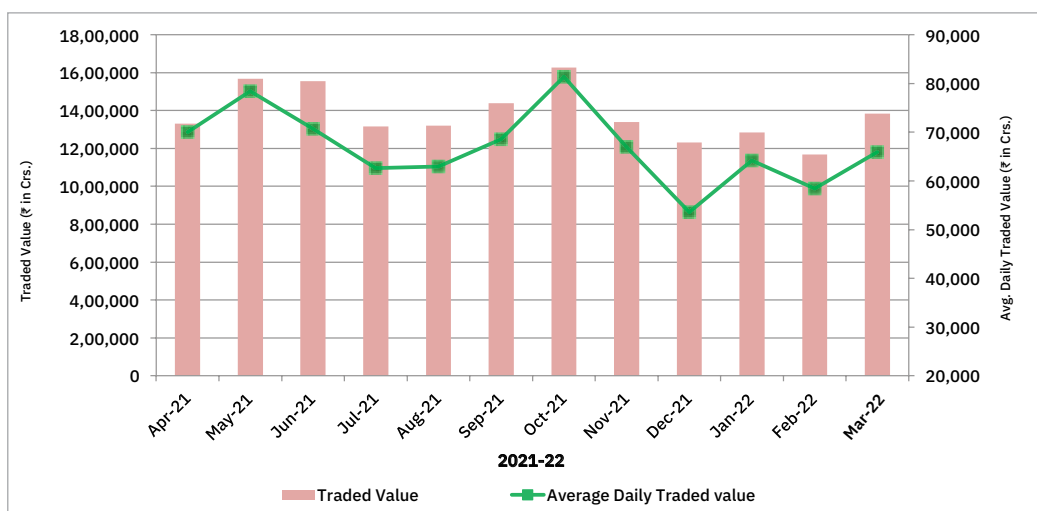


Table 12 : Turnover Statistics on CM segment

Sr. No.	Details	2021-22	2020-21	% Rise/ (Fall)
1	Total Number of trades (In lakhs)	55,709	46,328	20.25
2	Total number of shares traded (In lakhs)	76,10,238	74,29,579	2.43
3	Total Turnover (₹ In Cr.)	1,65,66,237	1,53,97,908	7.59
4	Market Capitalization at the end of year (₹ In Cr.)	2,61,81,064	20,295,813	29.00
5	Turnover of Nifty 50 Securities (₹ In Cr.)	64,69,027	85,58,692	-24.42
6	Total number of listed companies for trading.	2,011	1,910	5.29

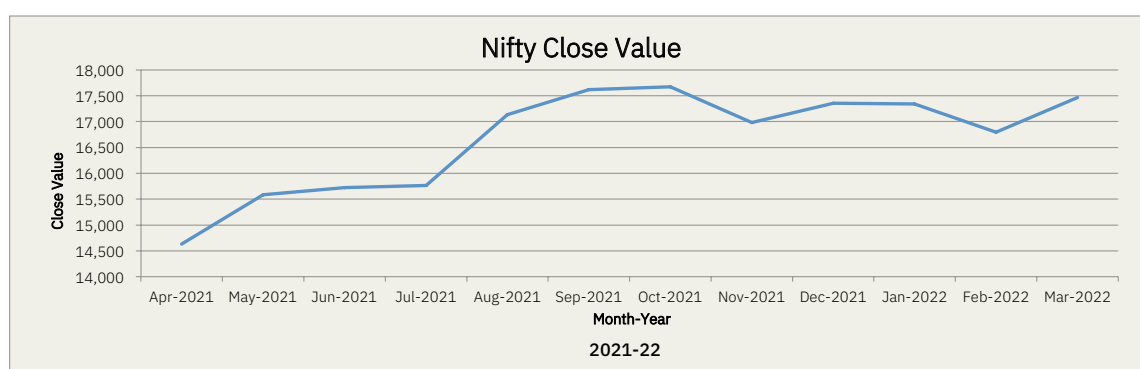
The changes in turnover statistics over the preceding year are presented in Table 12

1.5.1 Index movement

Nifty 50 saw upward movement of 18.88% moving from 14,690.70 to 17,464.75 over the financial year 2021-22. During the year 2021-22, the Nifty 50 touched a high of 18,604.45 on October 19, 2021 and low of 14,151.40 on April 22, 2021. Movement of Nifty 50 is shown in Figure 02.

The turnover of Nifty 50 securities was ₹ 64,69,027 Crs. in the year 2021-22 as compared to ₹ 85,58,692 Crs. in the previous year. The contribution of Nifty 50 securities turnover to total turnover during the year 2021-22 was 39.05% compared to 55.58% in the year 2020-21.

Figure 02: Nifty movement



1.5.2 Market Capitalisation

The market capitalisation of securities available for trading on CM segment has increased by 29.00% during 2021-22 from ₹ 2,02,95,813 Crs. as on March 31, 2021 to ₹ 2,61,81,064 Crs. as on March 31, 2022. Out of total market capitalisation as on March 31, 2022, ₹ 820,031 Crs. was contributed by newly listed securities. The market capitalisation growth is shown in Figure 03.

Figure 03: Market Capitalisation during year 2021-22

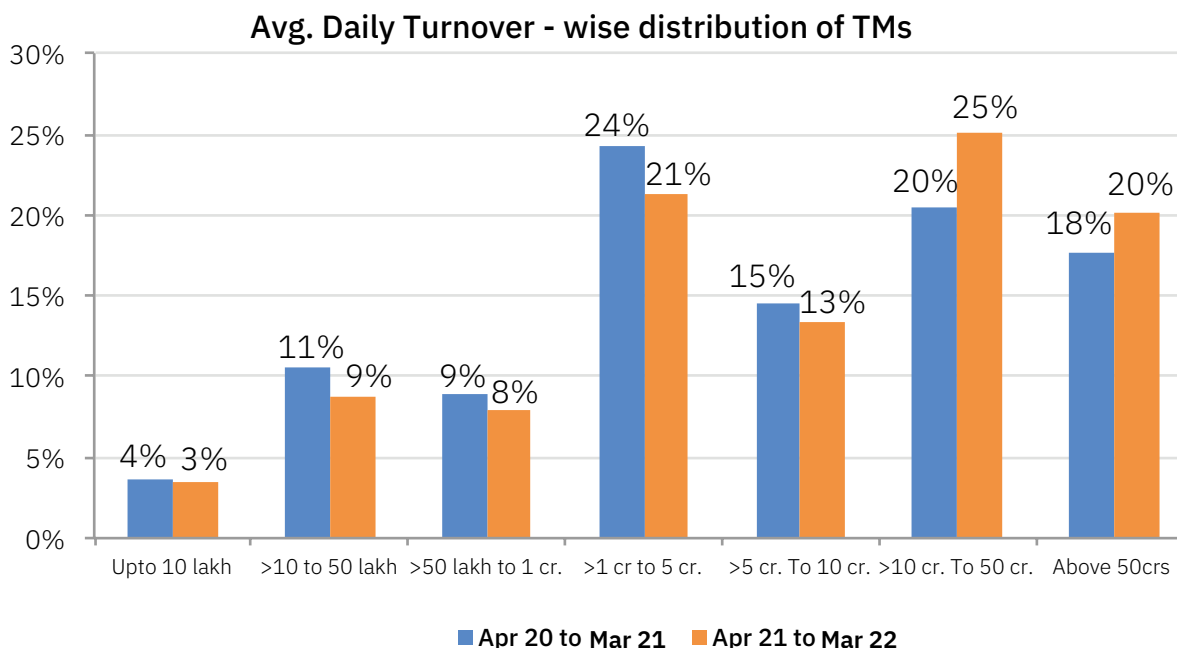


1.5.3 Distribution of Turnover

Turnover-wise distribution of trading members

About 80% of the trading members had an average daily turnover of 1 Crs. or more in 2021-22. In 2021-22, around 45% of the trading members have daily turnover more than ₹ 10 Crs.

Figure 04: Average Daily Turnover-wise distribution of TMs



1.5.4 Capital raising

Table 13

Fund Raising Across Primary Market Products - FY 2021-22

₹ in Crs.

Product	2021-22	2020-21
IPO – Equity (Includes Public InvITs)	1,25,953	37,152
Electronic Book Primary Debt	2,45,560	3,42,337
Debt private placement	3,58,911	4,96,282
Commercial papers	8,31,120	7,52,425

Note: Issue size includes re-issuance for private debt placement and commercial papers.

1.5.5 New Developments during the year 2021-22

In year 2021-22, various new developments have been initiated by the Exchange. The details of the same are given below:-

June 2021 - Important guidelines in case of switchover of trading system to Disaster Recovery (DR) Site

Exchange had communicated to members about the guidelines pertaining to trading system to be considered in case of the Exchange switching over its operation from primary site to DR site.

June 2021 - Trading in STRIPS in Capital Market

Exchange issued circular informing members regarding STRIPS (Separate Trading of Registered Interest and Principal Securities) in Capital Market Segment.

August 2021 - Change in number of units in the Trading lot for REITs/InvITs

Exchange issued circular informing members regarding changes in the number of units in trading lot of the scrips of listed REITs/ InvITs with effect from August 11, 2021.

January 2022 - 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 2022 - List of securities for T+1 settlement cycle in Equity Segment

Exchange informed members vide circular about the calendar for transition of existing listed securities to T+1 settlement and informed its availability on website of all Exchanges. Members were requested to refer to the transition calendar / circular on respective Exchange websites for exclusively listed securities every Friday of the month.

February 2022 - Dissemination of real time Indicative Net Asset Value (INAV)

Exchange issued circular informing members regarding provision of Indicative NAV broadcast for ETF symbols in Capital market segment.

1.5.6 New developments in Listing

Commencement of listing of STRIPS

Government Securities (G-Sec), which are deemed listed securities, are currently listed on the Debt Segment - Negotiated Trade Reporting Platform (NTRP) and Capital Market Segment of the Exchange. The Exchange, this year, commenced listing of Separate Trading of Registered Interest and Principal of Securities (STRIPS) on the Capital Market segment of the Exchange. STRIPS are the securities created by way of separating the cash flows associated with a regular G-Sec listed on the Exchange, i.e., each semi-annual coupon payment and the final principal payment to be received from the issuer are stripped into separate securities (ISINs). These are essentially Zero-Coupon Bonds (ZCBs). An internal framework for listing of new STRIPS has been put in place. As on March 31, 2022, 121 STRIPS were available for trading.

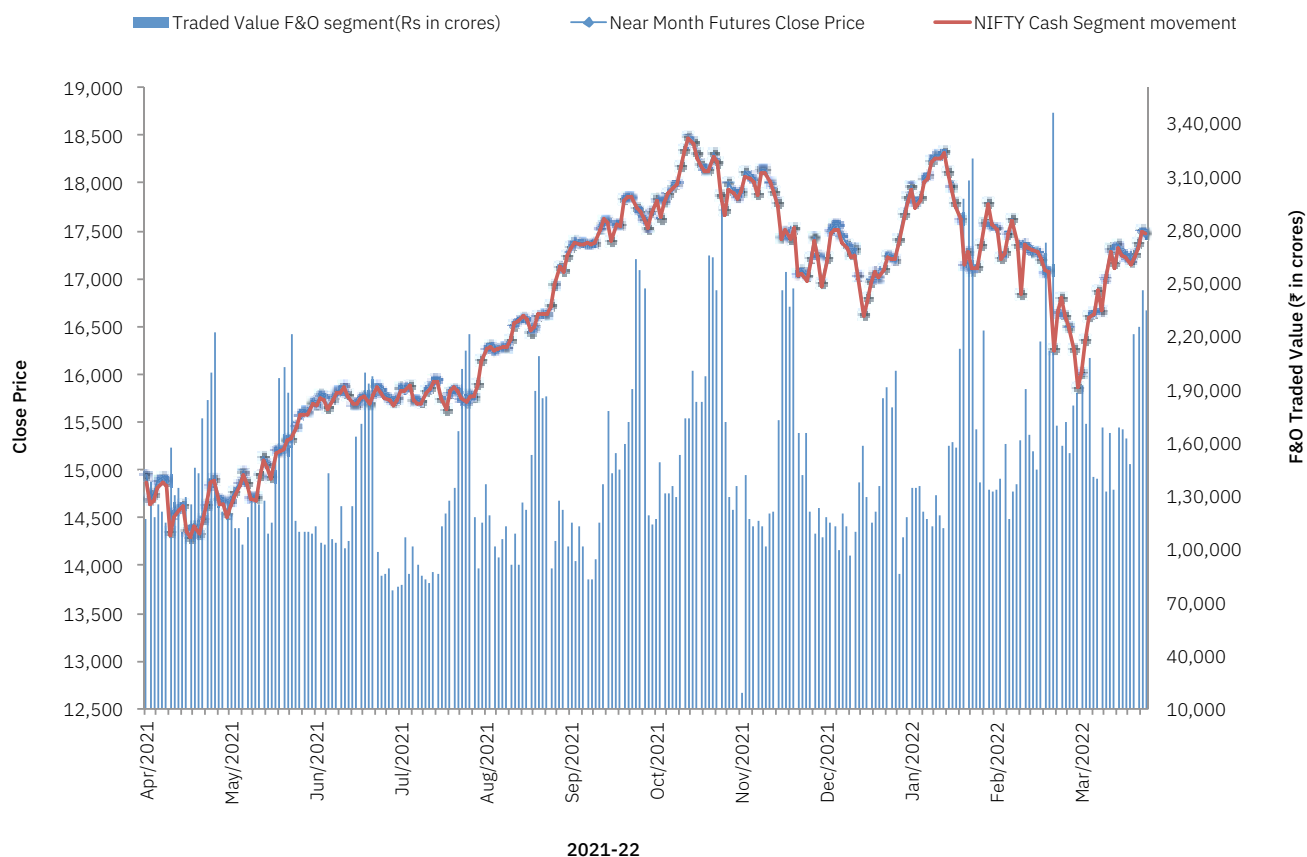
1.5.7 Alert to Investor

As a proactive measure, NSE continues to send an email alert to the shareholders of the listed companies alerting them on non-compliance and impending suspension of the listed company in which they hold shares. This activity is carried out by the Exchange through the Depositories wherein the alert is sent to the email address of the shareholders registered in the Depository System. NSE is of the firm belief that shareholders will find immense value in these alerts.

1.6 Futures and Options Segment

The financial year 2021-22 witnessed increase of 164.45% in turnover and 119.51% in number of contracts traded respectively vis-à-vis 2020-21. Increase in daily average open interest was 107.81% over previous year in the F&O segment. The average contribution of proprietary category increased to 35% in 2021-22 from 30.31% in 2020-21.

1.6.1. Comparison of the closing 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 05


Note: Special trading sessions on October 21, 2021 (Muhurat Trading) and May 28, 2021, September 27, 2021, September 28, 2021, March 07, 2022, March 08, 2022 and March 09, 2022 (Live trading sessions from Disaster recovery site.)

1.6.2 Records achieved in the F&O segment during 2021-22:

Table 14

Category	Total	Date of Record
Index Futures Traded Value (₹ Crs.)	96,884	24-Feb-2022
Stock Futures Traded Value (₹ Crs.)	2,02,819	17-Sep-2021
Index Options Premium Traded Value (₹ Crs.)	60,556	10-Mar-2022
Stock Options Premium Traded Value (₹ Crs.)	12,049	13-Oct-2021
Total F&O Traded Value (₹ Crs.)	3,56,287	17-Sep-2021

A new record was set in Index and Stock futures as well as options during 2021-22.

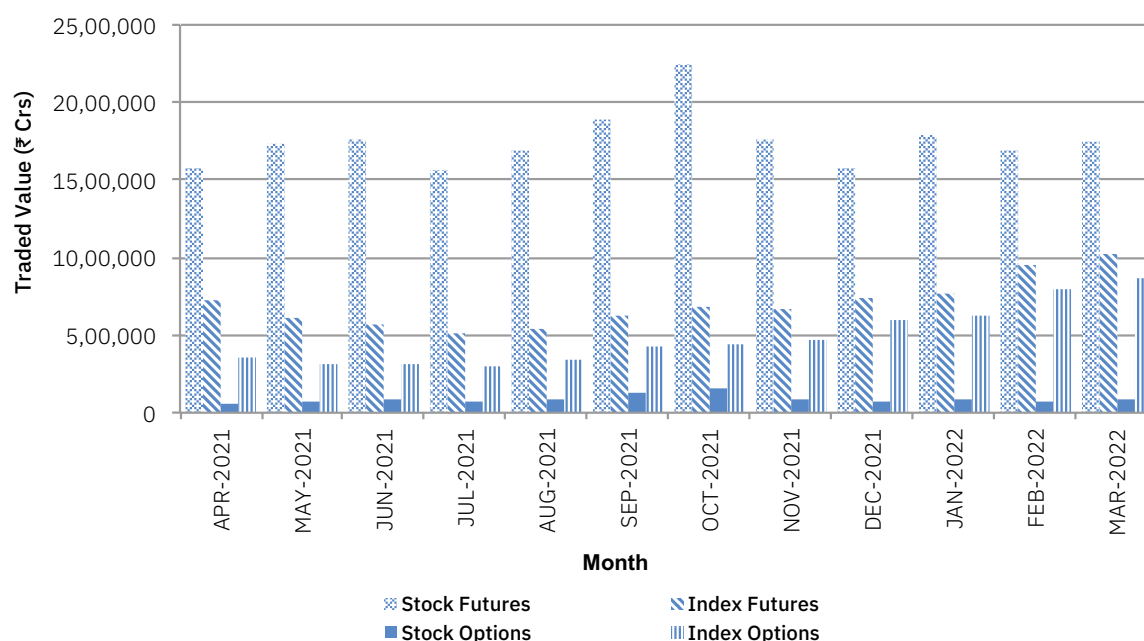
1.6.3 (a) Basic Statistics of the F&O segment:

Table 15

Particulars	Apr 21 to Jun 21	Jul 21 to Sep 21	Oct 21 to Dec 21	Jan 22 to Mar 22	2021-22	2020-21	% Change
Daily Average Traded Value (₹ in Crs.)	45,35,741	59,95,763	73,07,278	95,15,760	68,35,617	25,84,812	164.45
Daily Average Number of Contracts	4,81,57,385	66,680,415	7,98,78,829	10,63,80,513	7,52,42,113	3,42,76,550	119.51
Open Interest (₹ in Crs.) End of day averages	12,98,398	16,62,138	18,94,815	21,38,857	17,47,456	8,40,880	107.81
% of Open Interest to Daily Average Traded value	29%	28%	26%	22%	26%	33%	66%

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

Figure 06



Note: Premium value for options is considered.

Among all products, Index Options continued to dominate the Total Turnover with their contribution observed at 94.94% in 2021-22 based on Notional turnover data.

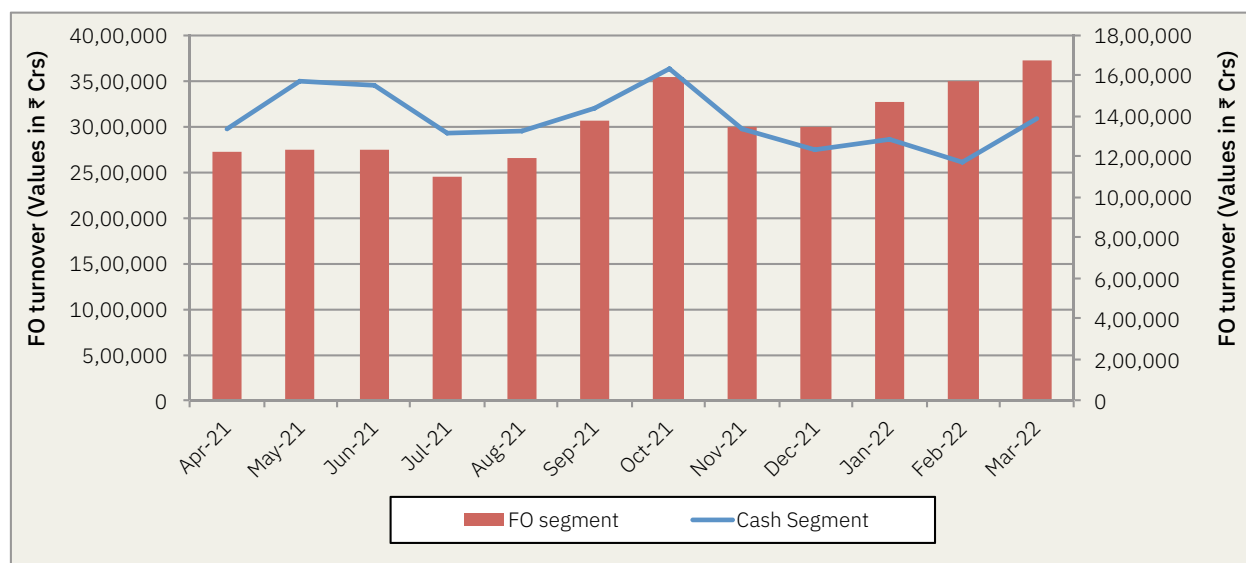
1.6.4 Institutional Retail & Proprietary Investors – Turnover Analysis:

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	2020-21	1,45,41,553	23.95%	2,77,66,292	45.74%	1,84,01,733	30.31%
2	2021-22	1,70,06,053	24.00%	3,04,27,475	41.00%	2,52,65,424	35.00%

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

Figure 07



The ratio of F&O segment to cash segment using premium turnover was 2.19x for the year 2021- 22 as compared to 2x for the year 2020-21.

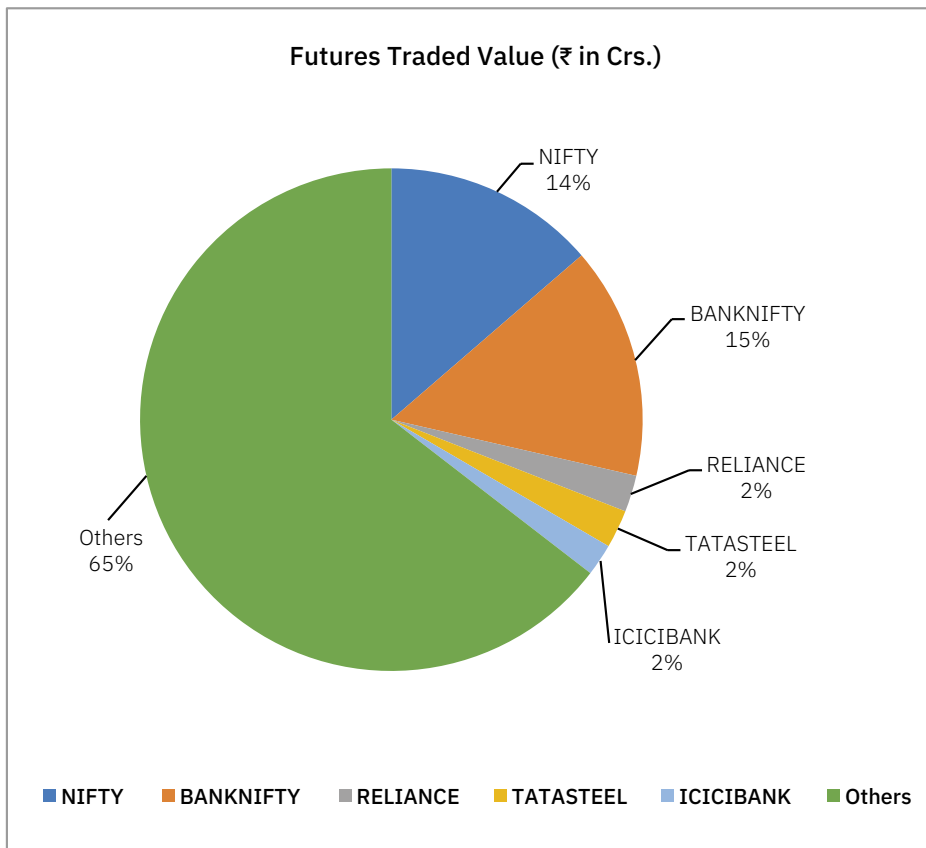
1.6.6 Product-wise Basic Statistics:

Table 17

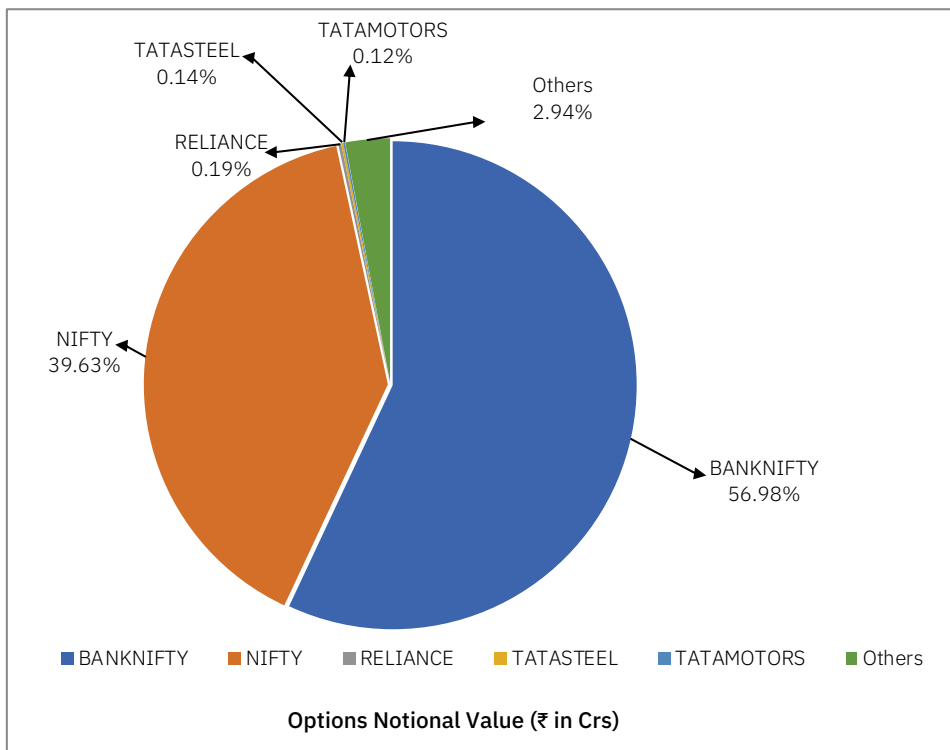
Category	Product	Apr 21 to Jun 21	Jul 21 to Sep 21	Oct 21 to Dec 21	Jan 22 to Mar 22	2021-22	2020-21	% Change
Daily Average No. of Contracts	Stock Futures	10,01,028	9,75,874	11,01,810	12,07,410	10,71,003	10,15,385	5.48
	Index Futures	3,30,441	3,09,732	3,66,370	5,06,748	3,77,673	5,12,448.	-26.30
	Stock Options	21,86,021	28,60,678	28,23,541	30,50,143	2,73,1902	13,26,886	105.89
	Index Options	4,46,39,895	6,25,34,131	7,55,87,109	10,16,16,212	7,10,61,535	3,14,21,830.	126.15
Average OI Value (₹ in Crs.)	Stock Futures	3,12,313	3,65,023	4,13,071	4,39,970	3,82,467	2,20,059	73.80
	Index Futures	49,215	60,128	61,412	81,593	62,975	39,565	59.17
	Stock Options	2,12,230	2,82,161	2,99,492	3,02,081	2,74,150	1,22,076	124.57
	Index Options	7,24,639	9,54,826	1,120,840	13,15,213	10,27,865	4,59,181	123.85
Average Number of contracts	Stock Futures	19,43,892	3,65,023	26,81,120	31,66,268	25,03,110	15,64,783	59.97
	Index Futures	2,45,765	3,53,540	3,42,512	4,66,560	3,52,029	2,39,711	46.86
	Stock Options	13,29,566	17,37,117	18,84,468	21,18,986	17,68,232	8,23,287	114.78
	Index Options	36,01,743	54,37,538	62,23,537	74,34,063	56,76,742	27,68,157	105.07
Number of trading days		61	63	63	61	248	249	

1.6.7 Top 5 Traded Symbols

Futures: Figure 08



Options: Figure 09



1.6.8 New Developments during the year 2021-22

In year 2021-22, various new developments have been initiated by the Exchange. The details of the same are given below:-

April 2021 - Revision in number of strikes for Bank Nifty options

Exchange informed members that the number of strikes for all weekly and monthly expiries contracts shall be revised w.e.f. April 30, 2021.

June 2021 - Important guidelines in case of switchover of trading system to Disaster Recovery (DR) Site

Exchange had communicated to members about the guidelines pertaining to trading system to be considered in case of the Exchange switching over its operation from primary site to DR site.

July 2021 - Pre-Trade risk controls

Exchange informed members about the revision in pre-trade risk control measures for quantity freeze limits for indices and stocks. An alert is generated for the members in case limit order price is greater than or equal to X% of Reference Price for buy orders and is lesser than or equal to X% of Reference Price for sell orders. TER mechanism is not to be applicable for all contracts traded in Equity Derivative Segment. The said measures were effective from August 16, 2021.

August 2021 - Dissemination of New Indices in Futures and Options Segment

Exchange had issued circular regarding display values of new Indices in Index Broadcast window and in Multiple Index Broadcast screen in NEAT+.

September 2021 - Revision in FINNIFTY (Nifty Financial Services Index) derivatives contracts

Exchange informed members that the expiry day of derivatives contract on FINNIFTY has changed from Thursday to Tuesday w.e.f October 18, 2021.

December 2021 - Revision in BANKNIFTY Weekly Expiry Options Contract Cycle

Exchange had reduced the availability of weekly expiry options contracts on BANKNIFTY index from 7 to 4 consecutive weekly expiration contracts (excluding monthly expiry contracts) w.e.f January 21, 2022.

January 2022 - Introduction of Futures and Options on Nifty Midcap Select Index

Exchange introduced trading in Futures and Options on Nifty Midcap Select Index (MIDCPNIFTY) w.e.f. January 24, 2022.

January 2022- Market Data Introduction of Additional Streams in Futures & Options Segment.

Exchange introduced additional set of streams in F&O. The contracts available for trading are being redistributed across 12 streams in FO segment.

1.7 Currency Derivatives Segment

The financial year 2021-22 witnessed an increase in currency derivatives (Currency Futures and Options) turnover.

The average daily turnover in currency derivatives increased by 24.97% and stood at ₹ 29,271.22 Crs. in 2021-22 compared to ₹ 23,421.80 Crs. in 2020-21.

The daily average number of contracts increased by 77.13% in 2021-22 and stood at 1,15,36,689 contracts as compared to 65,13,029 contracts traded in 2020-21.

The daily average open interest increased by 52.27% in 2021-22 as compared to what was observed last year during 2020-21.

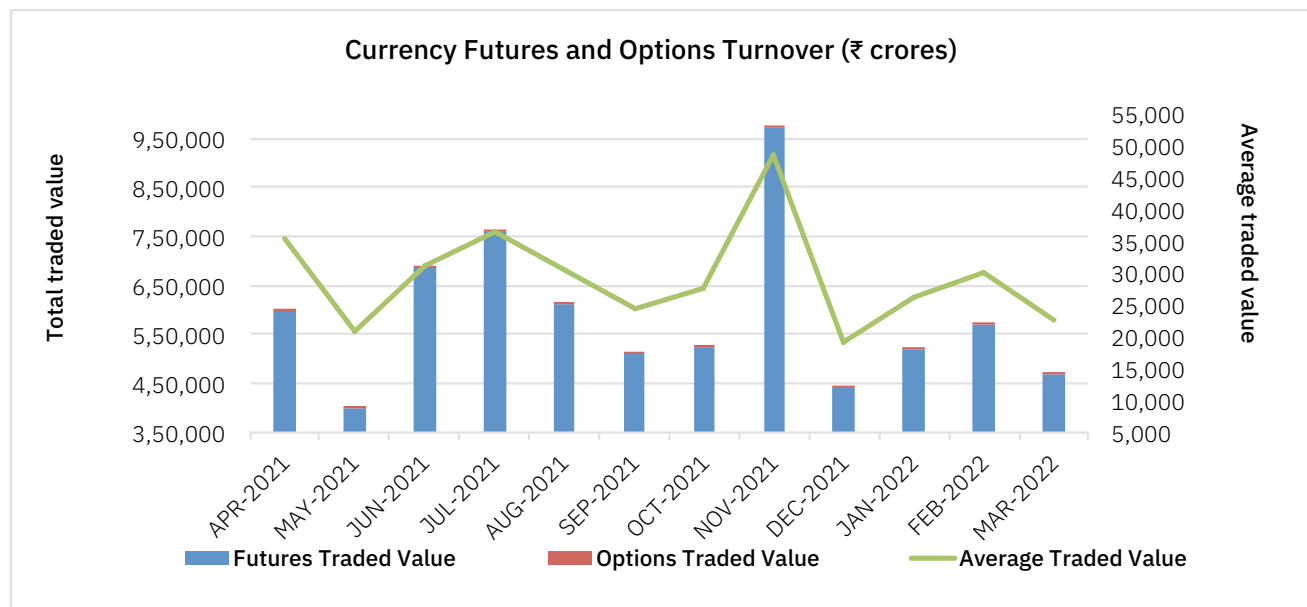
The total number of members enabled in currency derivative segment has declined to 506 for the year 2021-22 as compared to 515 for the year 2020-21.

Currency Futures: Average daily turnover in Currency futures for the financial year 2021-22 increased by 24.85% and stood at ₹ 29,167.94 Crs. as compared to ₹ 23,361.54 Crs. seen in 2020-21. Futures trading constituted 99.64% of the total turnover in the segment based on premium traded values. USD-₹ currency pair was the most traded futures contracts. The average market share of NSE in currency futures stood at 70.25% in 2021-22.

Currency Options: Average daily turnover in currency options increased by 71.38% in 2021-22 and stood at ₹ 103.28 Crs. compared to ₹ 60.26 Crs. observed during 2020-21. The average market share of NSE in currency options stood at 80.29% in 2021-22.

Interest Rate Derivatives: Average daily turnover in Interest Rate Futures for the financial year 2021-22 decreased by 72.36% and stood at 108.91 Crs. as compared to ₹ 394.04 Crs. in 2020-21 (based on premium turnover for options).

Figure 10



New Developments during the year 2021-22

In 2021-22, various new developments have been initiated by the Exchange. The details of the same are given below:-

April 2021- Market Data - Introduction of Order Snapshot Recovery for Multicast Tick by Tick broadcast

Exchange informed members to introduce an Order Book Snapshot Recovery functionality for Multicast Tick by Tick (MTBT) broadcast. MTBT Order Book Snapshot Recovery Server provides latest picture of the order book, constructed from MTBT feed. This Order Book Snapshot is refreshed every 30 seconds.

June 2021 - Important guidelines in case of switchover of trading system to Disaster Recovery (DR) Site

Exchange had communicated to members about the guidelines pertaining to trading system to be considered in case of the Exchange switching over its operation from primary site to DR site.

July 2021 - Pre-Trade risk controls

Exchange informed members about the revision in pre-trade risk control measures for quantity freeze limits for indices and stocks. An alert is generated for the members in case limit order price is greater than or equal to X% of Reference Price for buy orders and is lesser than or equal to X% of Reference Price for sell orders. TER mechanism will not be applicable for all contracts traded in Currency Derivative Segment. The said measures were effective from August 16, 2021.

October 2021- Introduction of Weekly Futures contracts on USD₹

Exchange introduced weekly Futures contracts on US Dollar-

Indian Rupee currency for trading in Currency Derivatives segment w.e.f. October 11, 2021.

1.8 Debt Market Segment

NSE introduced the Request for Quote (RFQ) Platform for debt securities in February 2020 considering the specialised requirement of the bond market and the success received by similar platforms globally. The platform offers high flexibility including initiating quote, sending quote to selected participants/entire market, choosing deal parameters fixed/negotiable, quantity conditions with minimum fill parameter etc. NSE RFQ Platform is a unified market place to trade all type of debt securities (Corporate bond, CP, CD, G-sec, SDL and T-bills). The NSE RFQ platform brings in desired pre-trade transparency in corporate bond trading and also provides for seamless interface of RFQ transactions to the Trade Reporting Platform of the Exchange & Settlement system.

During the financial year 2021-22, NSE RFQ Platform has observed decent traction in corporate bonds with average daily turnover of ₹ 1,101 Crs., representing ~22% of total secondary market corporate bond trading. Similarly, active participation is observed in commercial papers (CP) transactions on the RFQ platform with average daily turnover of ₹ 1,209 Crs., which transacts ~70% of total secondary market CP trading. The Regulators have also prescribed guidelines for encouraging transaction activity on the RFQ platform.

The turnover on Debt segment increased in the financial year 2021-22. The turnover increased to ₹ 3,44,855.82 Crs. in

2021-22 from ₹ 2,71,695.80 Crs. in 2020-21 registering an increase of 26.93%. The average daily turnover increased to ₹ 1,430.44 Crs. in 2021-22 from ₹ 1,113.51 Crs. in 2020-21.

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

Figure 11:

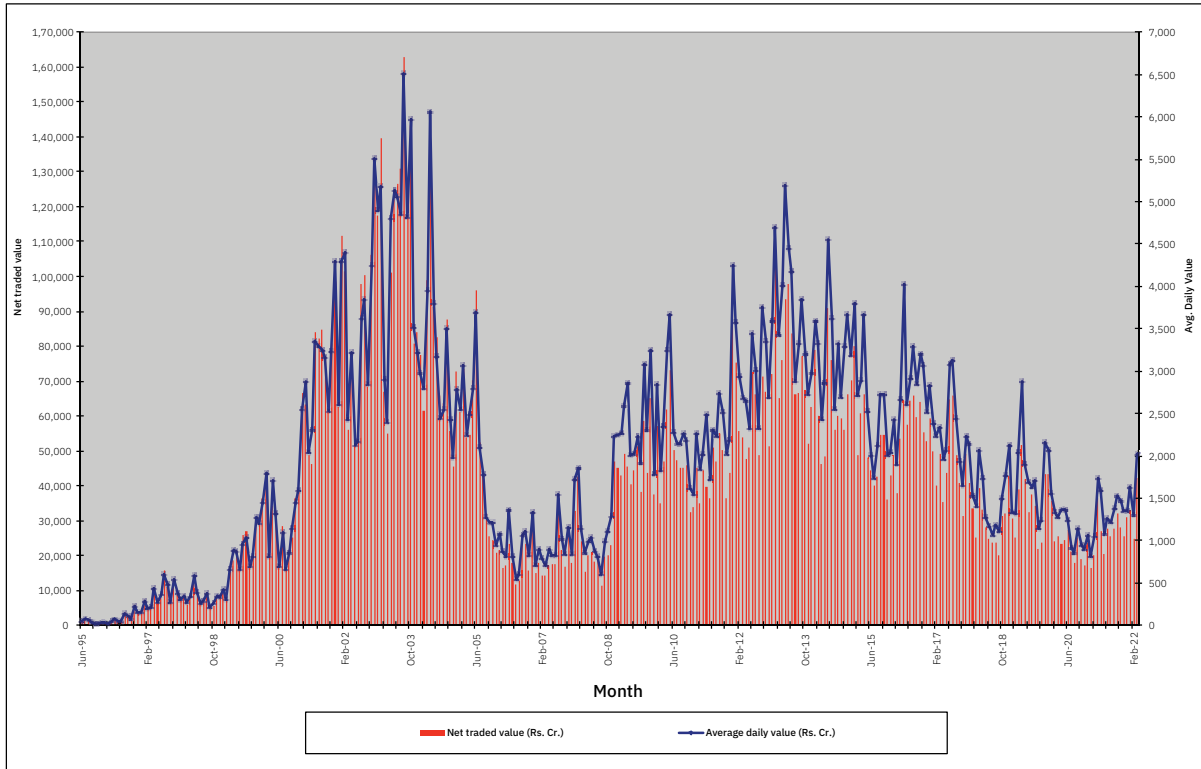
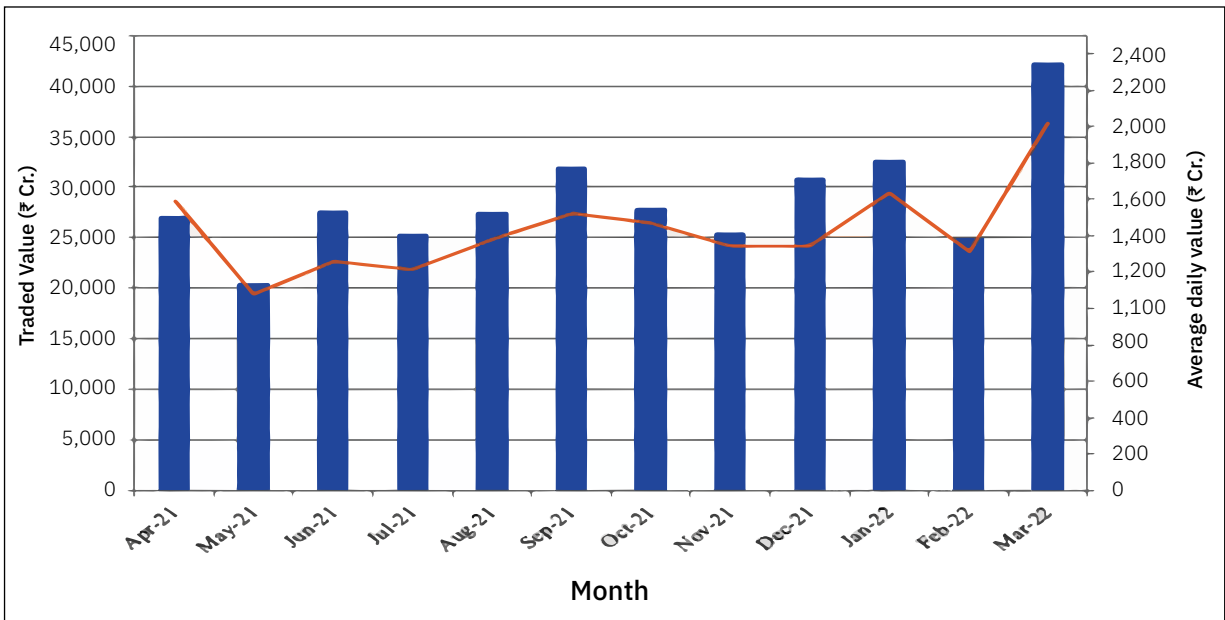


Figure 12:



The transactions in dated government securities account for a substantial share in the Debt segment with 88.04% in 2021-22. Market capitalisation of the Debt segment has witnessed a constant increase in the number of securities available for trading on this segment. Total market capitalisation of the securities available for trading on Debt segment stood at ₹ 7,99,23,213 Crs. as on March 31, 2022.

Table 18: Trades in Debt segment

Particulars	2021-2022	2020-2021
Number of Trades	4,961	3,717
Average monthly number of trades	413	310
Average daily number of trades	20	15
Average Trade Value (₹ in Crs.)	70	73
Average Daily Turnover (₹ in Crs.)	1,430	1,114
Turnover (₹ in Crs.)	3,44,856	2,71,696
Number of Active Scrip's	1,140	906
Number of Active members	21	23

1.8.1 Securities Profile

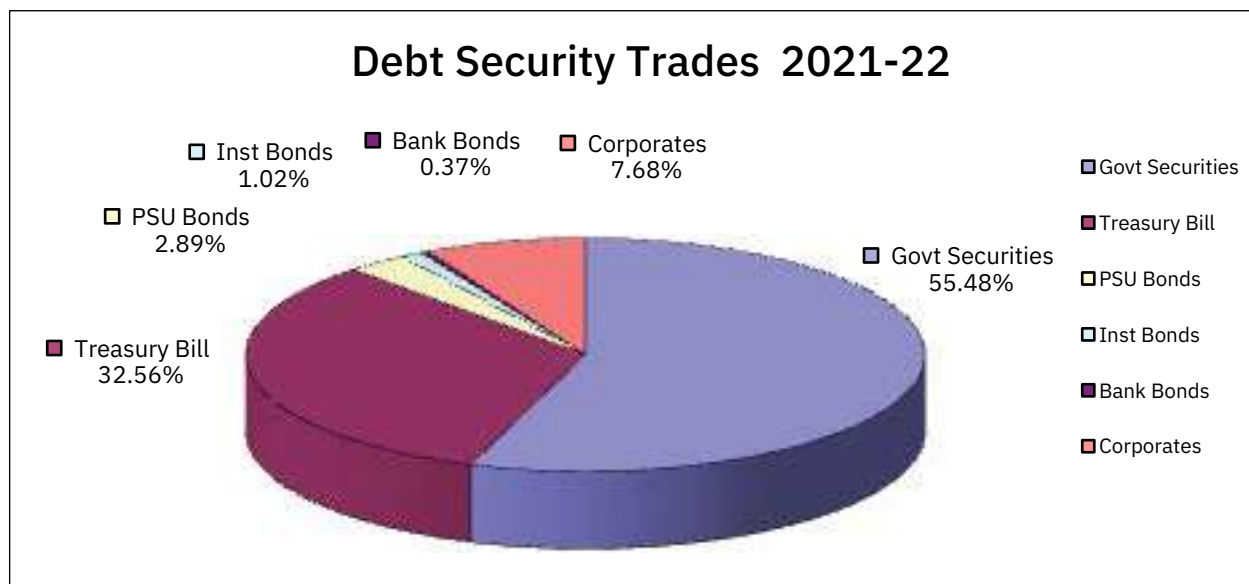
The turnover of Government securities in the Debt segment increased by 0.27% during 2021-22. Its share in total turnover increased from 55.33% in 2020-21 to 55.48% in 2021-22. The share of Treasury Bills decreased from 38.27% in 2020-21 to 32.56% in 2021-22. During 2021-22 the share of Non-Government Securities in total turnover increased to 11.96% as compared to 6.40% in 2020-21.

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

Table 19: Security-wise Distribution of Turnover

Securities	2021-22		2020-21	
	Turnover (₹ in Crs.)	% of Turnover	Turnover (₹ in Crs.)	% of Turnover
Government Securities	1,91,311	55.48	1,50,321	55.33
T-Bills	1,12,298	32.56	1,03,980	38.27
PSU Bonds	9,973	2.89	4,342	1.60
Institutional Bonds	3,530	1.02	1,579	0.58
Bank Bonds	1,261	0.37	4,457	1.64
Corporate Bonds	26,482	7.68	7,016	2.58
Total	3,44,856	100.00	2,71,696	100.00

Figure 13: Security wise Distribution of Turnover



1.8.2 Issuances in Debt Segment

A total of 2,754 securities were listed during the financial year 2021-22. As at end of March 2022, 8,029 securities were available for trading on the Debt segment. Details of Issuance in Debt for the last 5 years 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.)
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
2021-22	2,754	8,029	7,99,23,213

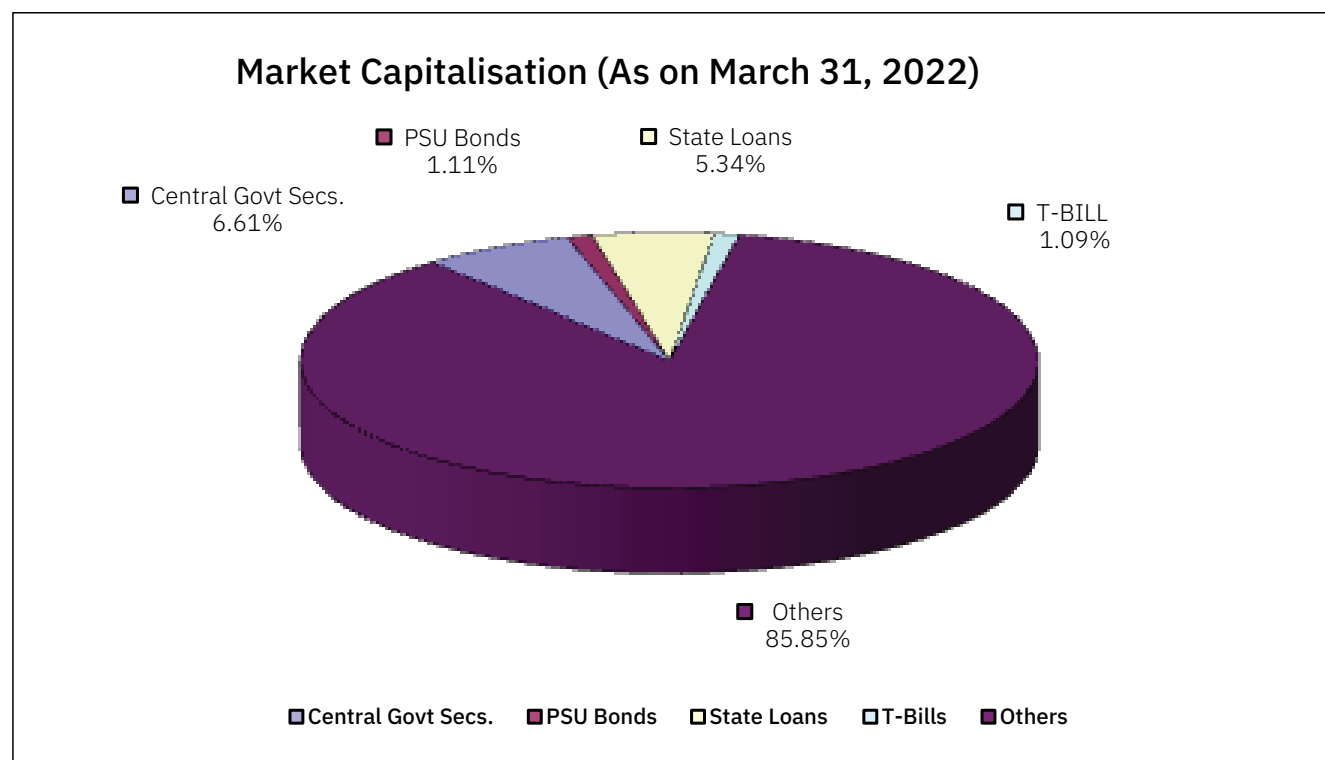
1.8.3 Market Capitalisation

Total Market capitalization of the securities available for trading in Debt segment increased to ₹ 7,99,23,213 Crs. in 2021-22 from ₹ 7,88,59,213 Crs. in the previous year registering an increase of 1.33%. The Central Government securities accounted for 6.61% while Non-Government Securities (PSU & others) accounted for 86.96% based on market capitalization. The composition of market capitalization of various securities on Debt is presented in Table 21.

Table 21: Market Capitalisation of Debt Segment

Securities	As on March 2022		As on March 2021	
	Market Cap. (₹ in Crs.)	% of total	Market Cap. (₹ in Crs.)	% of total
Central Government Secs.	52,84,973	6.61	45,58,328	5.78
PSU Bonds	8,84,840	1.11	9,14,071	1.16
State Loans	42,64,901	5.34	37,55,491	4.76
T-Bills	8,68,909	1.09	6,85,036	0.87
Others	6,86,19,590	85.85	6,89,46,287	87.43
Total	7,99,23,213	100	7,88,59,213	100

Figure 14: Market Capitalisation of Debt segment



1.8.4 Corporate Bond Market

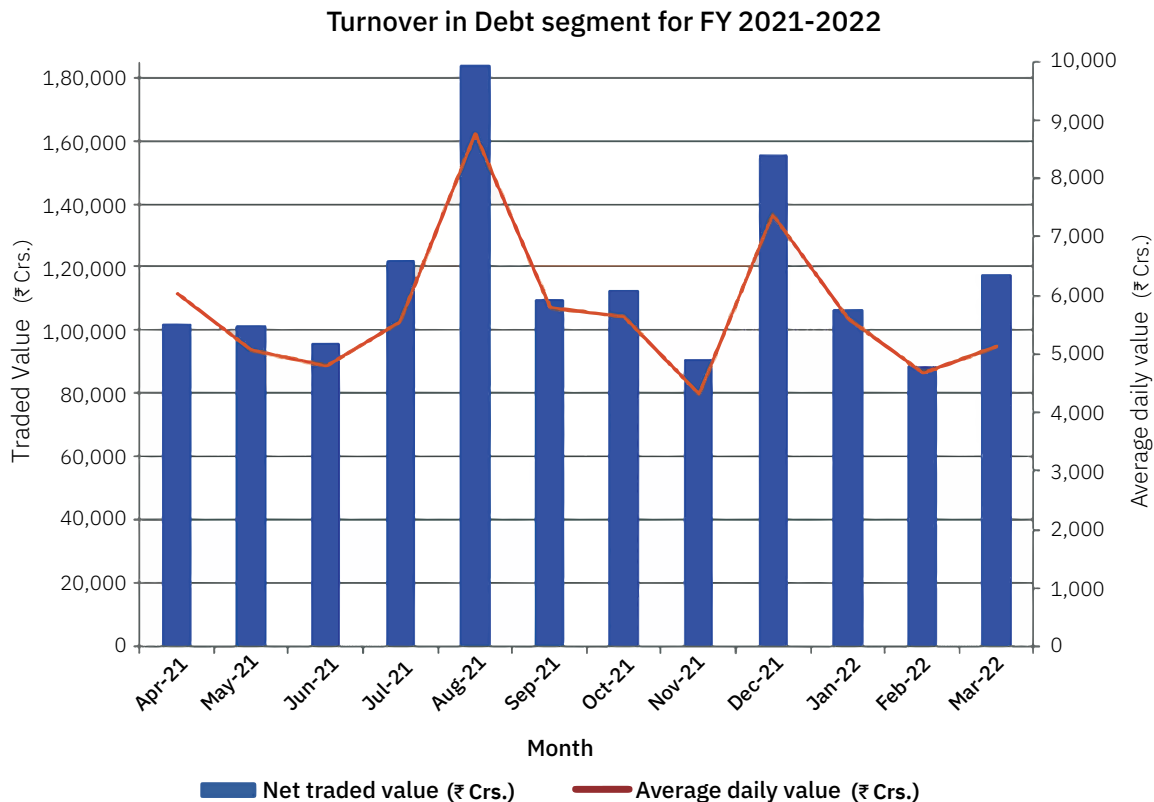
Currently for reporting trades in corporate bonds, Exchange provides two platforms namely Debt Segment and CBRICS. The average daily traded value reported through corporate bond for 2021-22 was ₹ 5,763.61 Crs. (Debt Segment & CBRICS) as compared to ₹ 4,948.94 Crs. for 2020-21 with an average of around 283 trades being reported daily as compared to 285 trades for 2021-22.

Turnover of Corporate Bond market is presented in Table 22 and Figure 15

Table 22: Corporate Bond Market Turnover

Corporate Bond Turnover	2021-2022	2020-2021	%Change
Total Turnover (₹ Crs.)	13,89,031	12,07,541	15.03
Average Daily Turnover (₹ Crs.)	5,764	4,949	16.46
Total Number of Trades	68,281	69,496	-1.75
Average Daily Trades	283	285	-1.05

Figure 15: Corporate Bond Turnover for FY 2020-2021



1.8.5 New Products launched by NSE in FY 2021-22

1. Government Securities STRIPS

NSE launched trading in ‘Separate Trading of Registered Interest and Principal Securities’ (STRIPS) in its capital market and debt segment. Stripped securities represent future cash flows (periodic interest and principal repayment) of an underlying coupon bearing Government bond.

2. Futures on Gold 1 gram

NSE launched futures on Gold 1 gram on June 7, 2021. The new contract will supplement the existing contracts on Gold with trading units of 1 kilogram and 100 grams. Small and marginal jewellers in the unorganised sector are about 78%* of the Indian jewellery market. The lot size of 100 grams gold was not serving the hedging purpose for a large section of these small jewellers. This Futures contract of 1 gram gold provided an alternative for those small and marginal jewellers.

*India Jewellery Review 2013: FICCI & A.T. Kearney

3. Weekly Futures on US Dollar Indian Rupee

NSE launched weekly futures on the US Dollar – Indian Rupee currency pair in the currency derivatives segment from October 11, 2021. 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. The weekly futures is expected to complement the already available weekly options on US Dollar – Indian rupee currency pair.

4. Futures and Options on Nifty Midcap Select index

NSE launched futures and options on the Nifty Midcap Select index in equity derivatives segment from January 24, 2022. With this launch, Exchange will now have derivatives on 4 equity indices. Nifty Midcap Select index aims to track the performance of focused portfolio of 25 stocks within the Nifty Midcap 150 index. The stocks are selected based on combination of parameters such as market capitalisation, daily average turnover of stocks and availability for stocks in NSE’s Futures & Options segment (F&O). The weight of the stocks is based on free-float market capitalization.

1.9 Membership at NSE

41 new Members (6 in Capital Market-CM, Futures & Options - FO, Currency Derivatives - CD and Commodities - CO segments; 10 in CM, FO and CD segments; 1 in CM, FO and CO segment; 15 in CM and FO segments; 2 in CM segment;

4 in FO segment; 1 in CD segment and 2 in debt segment), were registered during Financial Year 2021-22.

The Exchange also granted additional segment Membership to 15 members during FY 2021-22. Following are the details of the Members/Authorised Persons:

Table 23: Membership details for FY 2021-22

Particulars	CM Segment	F&O Segment	CD Segment	Debt Segment	Commodity Segment	Composite Membership (CM, FO, CDS, Debt & CO)	Total Members
SEBI registered Trading members ¹	34	18	8	2	2		
Members registered in additional segments ¹	4	4	5	1	1	1,155 ²	1,305 ²
Surrender of membership ¹	51	48	29	6	6		
Expulsion/Declaration/Termination of defaulter ¹							9
Authorised Person ²	1,16,074	1,07,264	32,322	Nil	2,652	1,27,910	-

¹ New membership/segment additions/surrender/expulsion/defaulters/termination during the FY 2021-22.

² Data as on March 31, 2022.

1.9.1 New developments during the year 2021-22 in Membership Compliance

The Exchange has taken the following initiatives/developments during FY 2021-22:

- Successful transfer of Mutual funds accounts held by Karvy Stock Broking Limited, as a Mutual fund distributor, through a formal bidding process. The initiative was undertaken in the interest of Karvy's clients and for raising funds to meet their claims. Around ₹ 151 Crs. were received from the successful bidders through these initiatives.
- Strengthening Members oversight over Authorised Persons (APs)
 - Through various circulars/directives, APs have again been asked to refrain from undertaking non-permitted activities such as providing assured return and unauthorised Portfolio Management schemes. Further, Members were again cautioned to exercise adequate control over their APs and undertake a periodic inspection. Members were also required to report the details of the AP inspections undertaken by them and the details of clients mapped to the APs.

- For the purpose of information to investors and Members, Exchange disseminated the list of APs whose registration has been cancelled due to regulatory reasons by the member on the NSE Website.

- In order to supplement Exchange's advertisement monitoring process, an online application/tool has been put in place to track and monitor the advertisements issued by the Members on their websites, print media and social media platforms. Appropriate disciplinary action is taken where an advertisement has been released without prior approval and/or non-adherence to the prescribed code of advertisement.
- A detailed framework on technical glitches was issued by the Exchange to the Members for handling the incidence of business disruption on account of technical glitches at members' end.

2.1 SERVICES TO INVESTORS

During the year 2021-22, the Exchange dealt with 13,261 investor complaints against trading members and companies (excluding complaints against defaulter/expelled trading members) and facilitated 434 arbitration and appellate arbitration cases.

The Exchange has 24 Investor Service Centers covering the length and breadth of the country to facilitate investors, provide assistance to investors for complaint resolution, and offer arbitration mechanism. The Exchange has empanelled 138 Arbitrators and 131 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. To provide faster resolution of complaints, the same is referred to Grievance Redressal Committee (GRC). The Exchange facilitates GRC meetings and conducts arbitration meetings through a video conference facility or in-person, as per choice of the parties.

For ease of filing the claim against the defaulter / expelled member, a Standard Operating Procedure (SOP) covering a detailed process and timelines for obtaining information from investors, investor claim processing from IPF, review of claims, and the timeline for the declaration of a trading member as a defaulter, along with a policy for the evaluation of claims is available on the exchange website.

Dissemination of information to Investors:

1. A welcome SMS & Email is sent to all new investors whose Unique Client code details are uploaded by the trading member.
2. Daily SMS and Emails are sent to the investors who have traded for that day, with a view to keep them informed of their trade details.
3. Weekly SMS and Email are sent to the investors informing them of their funds and securities balances reported by the trading member.
4. Monthly caution SMS and Email are sent to the investors to be cautious and not fall prey to unsolicited tips and make an informed decision while investing.
5. Advisory message is broadcast on the trading terminal to create awareness among investors on an ongoing basis.

Focused Investor Awareness campaigns:

Focused Investor Awareness campaigns were conducted in the month of September 2021, covering the below themes:

1. Do your due diligence before investing in IPOs and secondary market.

2. Do not invest based on tips, rumours, or hear-say. Do your own research and make informed investment decisions.
3. Be cautious when trading in Options for retail investors.
4. Beware of claims of assured fixed returns or guaranteed returns.
5. Avoid unreasonable expectations and keep investment goals realistic.
6. Keep your KYC updated (email and mobile numbers) for receiving trade alerts and advisory messages sent by the exchanges.

For wider coverage, 697 Television commercials PAN-India were featured on a daily basis from August 23, 2021 to September 07, 2021 on business and regional channels in English, Hindi, and all major regional languages. Advertisements were published in leading magazines of the September issue and newspapers in Hindi, English, and regional language publications. Awareness was created through Radio, SMS sent to the investors, and messages broadcasted on trading terminals and social media platforms.

Investor Awareness Programs conducted:

During the year 2021-22, the Exchange had conducted a total of 3,890 IAPs vide a blend of physical sessions and webinars covering approximately 2.85 lakh participants. Out of which, 209 IAPs were conducted with SEBI and 485 Commodity Segment focused IAPs were conducted with Jewellers, Traders, Farmers, and MSMEs. To make these sessions more interactive, quizzes in the commodity market were also conducted as part of these Investor awareness programs. In this regard, as a part of 302 commodity IAPs, more than 5,000 participants attended the quiz. Commodity awareness sessions were done vide social media platforms and more than 46 lakh impressions and 20,300 engagements were received on LinkedIn, Twitter, and Facebook.

The Exchange also actively participated in World Investor Week 2021 held from November 22 - 28, 2021. To celebrate this occasion, 'Ring the Bell' event was conducted at NSE Exchange Plaza at the hands of Shri G P Garg, Executive Director, SEBI, and by Shri Manoj Kumar, Executive Director, IFSCA at NSE IFSC, Gift City, Gandhinagar. A total of 908 IAPs were conducted Pan-India vide webinars during the World Investor Week in which 47,398 participants were present. Further, 31 IAPs were conducted in association with SEBI. Focused Investor Awareness sessions along with Trading Members were conducted for new investors in Securities Market. Nurture Your Prosperity (NYP) – a

new initiative series for young entrepreneurs/start-ups was conducted in collaboration with the Maharashtra Centre for Entrepreneurship Development (MCED) in various regions of Maharashtra such as Solapur, Kolhapur, Sindhudurg, Pune, etc. In addition, various investor awareness messages were circulated vide social media platforms i.e., Facebook, Twitter, Instagram, LinkedIn, and Youtube.

NSE, along with SEBI and NSDL actively participated in celebrating 75 years of India's Independence under the aegis of 'Azadi ka Amrit Mahotsav' by conducting various Investor Awareness Programs for General Public Pan India. NSE had separately conducted 100 IAPs on the theme of financial Independence with Armed Forces, Police Personnel, and NGOs.

The Exchange also participated in 'Global Money Week – 2022' which is an 'Annual Global Awareness Raising Campaign' organised under the aegis of OECD International Network on Financial Education. A total of 40 Investor awareness Webinars were conducted for students and youth between the age group of 18-30 years covering more than 2,400 participants.

Training of Arbitrators and GRC Members:

As directed by SEBI, the Exchanges are required to conduct training for Arbitrators as well as GRC Members across Exchanges. For the Financial Year 2021-22, the National Institute of Securities Markets (NISM) organised online programs for Arbitrators as well as GRC Members of Equity Stock Exchanges across 24 regions in consultation with the Equity Stock Exchanges.

Further, an online interactive session for arbitrators of Commodity Derivative Exchanges was also organised by NISM in consultation with the National Commodity Derivative Exchanges.

KYC attributes were made mandatory (UCCs):

SEBI during its surveillance meetings advised Exchanges to make certain KYC attributes mandatory, in order to ease the process of identifying and contacting the Investors. While attributes like Name, PAN and Address were already mandatory; the mobile number, email address, and income range were also made mandatory for Non-Institutional Clients. For Institutional clients, office telephone number or mobile number and email address were made mandatory and the clients settling trades through custodians were required to provide custodian details. While this requirement was implemented for new clients registered w.e.f. August 01, 2021, the Clients registered prior to August 01, 2021, were required to update the details in their trading accounts by March 31, 2022, else the trading would have not been

permitted in such non-compliant accounts from April 01, 2022. The said timelines for existing clients i.e., clients registered prior to August 01, 2021, has been extended to June 30, 2022.

In order to create awareness amongst clients, print and social media campaign and radio campaign was done in the months of December 2021 and March 2022. Newspaper advertisements in Hindi, English, and major regional languages were published. Printed letters were sent to the clients informing the requirement and the action to be taken by the Exchange on non-compliance of the same.

The trading members are being provided various reports to track the status of their non-compliant clients viz. Mandatory Field Report, PAN Verification Status Report, Exchange Status Report, etc. Webinars were conducted with ANMI and BBF to create awareness and resolve the queries of trading members.

Amendments to dispute resolution clauses by SEBI during the year:

A joint proposal was submitted by the Exchanges on the clarifications required from SEBI on various guidelines pertaining to the Arbitration mechanism. SEBI vide circulars dated September 02, 2021 and October 22, 2021, amended the guidelines as proposed by the Exchanges. The following provisions were modified:

- Arbitration fees
- Arbitration Mechanism against Defaulter Member to be taken up outside the Exchange mechanism.

Investor Charter:

The Exchange in coordination with SEBI drafted an Investor Charter, with a view to protect investors' interest, promote transparency in markets and enhance awareness, trust, and confidence amongst the investors. The said Investor Charter was published by SEBI vide circular dated December 02, 2021. The same is also available on the Exchange website and all trading members are required to publish the same on their website too. Further, SEBI also mandated that the trading members shall disclose the number of complaints received against them on their respective websites. The Exchanges were also directed to disclose the complaints received against them on its website.

2.2 Surveillance at NSE

The Exchange has a state-of-the-art Surveillance system. The system has the capacity to sift through billions of orders, trades and client information, to generate meaningful & actionable alerts. During the year, Exchange has introduced new order level alerts to detect layering, price variation

in Futures segment and OTM options contracts. The Next Generation Surveillance System (NGS) was extended for Currency derivatives (CD) segment in October 2021. A new Surveillance framework was introduced with respect to “Complaints received by Exchange w.r.t unsolicited messages in futures and options segment.”

The Exchange has also developed a separate module in the Member Surveillance Dashboard to facilitate the TMs to provide quarterly submissions of alerts generated by the TM.

Following are the details of investigation reports submitted, enforcement action undertaken, disciplinary proceedings initiated, and other steps taken by the Exchange:

Sr. No.	Particulars	Count
1.	Additional Surveillance Measure (ASM)-IBC	37
2.	Additional Surveillance Measure (ASM)-long term	775
3.	Additional Surveillance Measure (ASM)-short term	721
4.	High encumbrance (Promoter Pledge)	30
5.	Graded Surveillance Measure (GSM)	99
6.	Submission of investigation reports to SEBI covering various types of manipulation, which include insider trading, front running and price volume manipulation	41
7.	Enforcement action on trading members (on the charges of unfair trade practice related to price/volume market abuse) by penalizing them and restricting them to register new clients for a period of time	3 trading members
8.	Disciplinary action proceedings initiated	5 trading members
9.	Issuance of Advisory/ Observation/ Caution Letters	125
10.	Intimation calls made to trading members pursuant to analysis	548

3. RESEARCH AND THOUGHT LEADERSHIP INITIATIVES IN FY 2021-22

NSE’s endeavour to stay at the forefront of research in diverse fields in the area of finance such as empirical finance, securities market, market microstructure and corporate governance, among others continued in 2021-22. In addition to undertaking in-house research initiatives, NSE has continued to collaborate with outstanding global

and domestic academic research institutions, renowned think tanks and global multi-lateral agencies to support their research efforts. The NSE Data Room—a cloud-based research facility launched in April 2021—has provided an enabling platform to researchers to access and analyse 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 raise investor awareness and drive policy advocacy at a broader level. Some of the initiatives conducted in the year 2021-22 are listed below:

3.1 Webinars and Conferences

The Economic Policy and Research (EPR) department organised a host of virtual events in the year 2021-22 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 ninth annual conference in December 2021. Persistent COVID uncertainty and renewed infections towards the end of 2021 ensured the format of the conference remained virtual spanning over three days, the same as in 2020. The virtual format allowed participation from across the world including panellists/speakers as well as attendees, thereby making it more inclusive and interesting.

The conference entailed a) presentation and deliberations on six research papers and two policy papers, b) a panel discussion on CBDCs (Central Bank Digital Currency) and the digital economy by eminent personalities in the field including Dr. Duvvuri Subbarao (Former Governor, RBI and Faculty, National University Singapore), Dr. Darrell Duffie (Professor of Management and Finance, Graduate School of Business, Stanford University) and Dr. Viral Acharya (Former Deputy Governor, RBI and Professor of Economics, NYU Stern School of Business) and c) key-note speeches by two global luminaries Prof. Michael Spence (2001 Nobel Laureate for Economics) and Prof. Aswath Damodaran (Professor of Finance at NYU Stern School of Business on the digital economy and corporate finance. Papers presented in the conference engendered policy-related discussion, significant outreach and saw participation from nearly 900 attendees over the three-day period. 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) for the fifth year in a row to organise an exclusive webinar in November 2021 on economic recovery in the wake of the pandemic. The webinar saw senior dignitaries of the Fund providing their views on global growth outlook, risks, and policy recommendations, with special focus on challenges and opportunities faced by India. The event included a presentation by Dr. Nada Choueiri, IMF Mission Chief to India, Dr. Alfred Schipke, Head of the IMF Singapore Training Institute, Dr. Jarkko Turunen, Deputy Mission Chief for India, and Dr. Luis Breuer, Senior Resident Representative India, Nepal and Bhutan on the impact of Covid-19 on the World, Asian, and Indian economy, providing key takeaways from the Global and Regional World Economic Outlook reports released in October 2021. The presentation was then discussed with implications and prospects for India by a high-powered panel comprising of Dr. Ashima Goyal, Member, Monetary Policy Committee, RBI and Professor of Economics, IGIDR, Dr. Mridul Saggi, Executive Director and Member, Monetary Policy Committee, RBI and Mr. D. K. Joshi, Chief Economist, CRISIL, and moderated by Dr. Tirthankar Patnaik, Chief Economist, NSE.

3.1.3 Corporate Governance Initiative with BuzzonEarth: In 2021-22, NSE collaborated with BuzzonEarth, a sustainability hub that works with leading businesses on sustainability branding, to conduct an ESG (Environmental, Social and Governance) knowledge series entailing thought-provoking discussions by distinguished personalities from the industry to understand linkages between ESG and portfolio performance. Under this initiative, three webinars were conducted during the year on topics pertaining to importance of ESG as an enabler to gain resilience, finding alpha and best practices in ESG investing and impact investing landscape post COP26. The last of the three webinars was conducted jointly by NSE IFSC, IFSCA and BuzzonEarth. All these deliberations have been uploaded to NSE's YouTube channel as part of the Knowledge Builder series.

3.1.4 Other events: Under the aegis of NSE-ISB Trading Lab, a webinar on anomalies in International Financial Markets was conducted in June 2021 to discuss the

dimensionality and predictability of stock markets, followed by another webinar in September 2021 to understand the driving force behind the current and future adoption of machine learning and artificial intelligence in the field of finance. The Lab also organised a conversation with Prof. Shivaram Rajgopal from the Columbia Business School in December 2021 to understand investing and financing opportunities in sustainability.

In November 2021, NSE and SES organised a corporate governance webinar to release reports on Board Composition and Board Remuneration and have thought-provoking deliberations on the subject. The detailed report analyses the trends and patterns of NIFTY 500 index companies (excluding Public Sector Banks) on board composition and remuneration and serves as a compendium for data analysis in these areas. The event comprised of a detailed presentation by Mr. J. N. Gupta on key highlights of the report, followed by a panel discussion with corporate governance experts on report findings and good corporate governance practices.

3.2 Research Collaborations

NSE has been collaborating with renowned global and domestic research institutions over the years to support research in the area of empirical finance, macroeconomics and corporate governance.

Among educational institutions, NSE 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 via webinars and conferences on topics relevant to financial markets. As part of this collaboration, NSE sponsors the best paper and best discussant awards at the ISB Summer conference to encourage research in financial markets. The NSE Lecture on Financial Economics organised in collaboration with the Indian Economic Association (IEA) was delivered by Dr. Manas Paul (Professor & Area Chairperson – Economics, Environment & Policy, IMT Ghaziabad) at the 103rd IEA Annual Conference 2022. NSE also sponsors the Best PhD Thesis in Financial Economics award, which is presented at the IEA Annual Conference every year.

The NSE Centre for Behavioural Science in Finance, Economics and Marketing a collaboration with the Indian Institute of Ahmedabad (IIMA) was entered into in 2019-20 to support cutting edge applied research on behavioural

science in India. The collaboration entails undertaking multi-disciplinary, thematic, and applied research in several key areas related to the behavioural applications of finance, economics and marketing as well as conducting thought-provoking discussions via conferences or symposiums. As part of this collaboration, behavioural labs were set up last year to facilitate collection and research on primary data. Besides ISB and IIMA, NSE also has a collaboration with the Indian Council for Research in International Economic Relations (ICRIER) on developing agricultural markets in India.

During the year, NSE entered several new collaborations with reputed institutions to support and participate in their research efforts. An MoU was signed with the National Council of Applied Economic Research (NCAER) in October 2021 to support their India Policy Forum (IPF) and the quarterly NCAER-NSE Business Expectations Survey (NCAER-NSE BES). The IPF promotes original economic policy and empirical research on India and provides a platform for active engagement between academicians and policymakers. The NCAER-NSE BES provides an assessment of current situation and near-term prospects of India's business environment. In addition, NSE entered a collaboration with the Insolvency and Bankruptcy Board of India (IBBI) in August 2021 with an objective of enhancing the existing research efforts in areas related to insolvency and bankruptcy in India, study interlinkages between insolvency laws and financial markets and foster policy advocacy.

During the year, NSE also collaborated with Ernst & Young to jointly publish findings of the third edition of the India Cost of Capital survey. The study was an attempt to understand the threshold cost of equity that India Inc. used for its capital allocation and investment decisions, and in turn help industry and practitioners strengthen their investment evaluation and value-creation activities.

3.3 Quarterly Briefings under the aegis of the NSE-Centre for Excellence in Corporate Governance (NSE-CECG)

The NSE Centre for Excellence in Corporate Governance (NSE-CECG) was established in 2012-13 with an aim to drive thought-leadership in corporate governance and engage with its listed companies on important governance issues. Under its aegis, 30 issues of Quarterly Briefings have been published and disseminated to a wide audience and are also available on the NSE portal.

3.4 NSE Data Room

With an endeavour to extend their offerings in the field of financial market research and provide an enabling environment for researchers to access and analyse large orders and trades data, NSE, in collaboration with its vendor partners, created a controlled cloud-based research facility called the NSE Data Room (NDR) that became operational in April 2021. This facility allows researchers in India and beyond to effectively access and analyse market microstructure data on a temporary basis for conducting research under the NSE Data Sharing and Usage Policy.

3.5 Publications of NSE

Besides supporting external research, NSE has continued its efforts to strengthen and expand its in-house research efforts. NSE's flagship publication, the NSE Market Pulse, a monthly review of the financial markets and economy, includes analysis on all major macro and market developments and events, thematic pieces on the economy or markets, insights from relevant academic research in financial markets, 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 report was further enriched during the year to include enhanced coverage across asset classes and market fundamentals, and is distributed to all stakeholders including companies, trading members, academicians, think tanks, economists, among others. NSE also brings out regular updates on important macro and market events that are widely distributed, and available on the NSE portal.

Besides regular coverage of economy and markets, theme-based research initiatives are also undertaken on a regular basis. During the year, a detailed report analysing investment trends in the Indian economy from funding as well as allocation perspectives with an important focus on post-pandemic scenario was published. In addition, some interesting theme-based ideas were explored for NSE's flagship monthly publication. Some of these included a study of size-based differential in corporate tax payments during the pandemic, disconnect between the real economy and financial markets, and market concentration and retail investments. EPR also brings out quarterly publications on ownership patterns and trends in companies listed on NSE and corporate performance of Nifty 50 and Nifty 500 companies. It 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 ₹ 4,621.11 Crs. on a standalone basis and ₹ 5,198.29 Crs. on a consolidated basis, as per particulars given below:

Table: 24

(₹ in Crs.)

Particulars	NSE (Standalone)		NSE (Consolidated)	
	2021-22	2020-21	2021-22	2020-21
Income	8,384.60	5,466.05	9,499.64	6,202.33
Expenditure	2,280.78	1,430.54	2,768.58	1,710.15
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	6,103.82	4,035.51	6,731.06	4,492.18
Add: Share of net profit of associates and joint ventures accounted for by using equity method	-	-	90.28	65.90
Profit before profit on sale of investments in associates, contribution to Core Settlement Guarantee Fund and tax	6,103.82	4,035.51	6,821.34	4,558.08
Add: Profit on sale of investment in associate	-	-	1.62	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
Less : Reversal of provision / (provision) for impairment of intangible assets under development	-	-	68.23	(68.23)
Add: Settlement Compensation towards cancellation of contracts	-	-	21.10	-
Profit before tax	6,103.82	2,275.54	6,912.29	4,464.97
Tax expenses (including deferred tax)	1,482.71	(488.26)	1,714.00	(891.55)
Profit after tax	4,621.11	1,787.28	5,198.29	3,573.42
Surplus brought forward from previous year	8,119.67	6,866.58	11,586.45	8,572.49
Add / Less: Other comprehensive income	(17.35)	10.31	(14.52)	6.46
Less: Dividend Paid (Including Dividend Distribution Tax)	(1,225.13)	(544.50)	(1,225.13)	(544.50)
Less: Appropriation to Core SGF (Net of Tax)	-	-	-	(20.99)
Less: Non-Controlling Interest on acquisition of subsidiary	-	-	4.54	(0.43)
Less: Redemption liability	-	-	(181.29)	-
Add : Change in share based payment	-	-	0.44	-
Balance carried to Balance Sheet	11,498.30	8,119.67	15,368.78	11,586.45
Earnings per share (EPS) Basic and Diluted	93.36	36.11	104.95	72.20

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 ₹ 8,384.60 Crs. from ₹ 5,466.05 Crs. in the previous year and the profit after tax stood at ₹ 4,621.11 Crs. as against ₹ 1,787.28 Crs. in the previous year.

On a consolidated basis, the total income of the Company increased to ₹ 9,499.64 Crs. from ₹ 6,202.33 Crs. in the previous year and the profit after tax stood at ₹ 5,198.29 Crs. as against ₹ 3,573.42 Crs. of the previous year.

4.2.2 Colocation and other matters

Securities and Exchange Board of India ('SEBI') had directed the Company to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. NSE had from time to time complied with the stipulations prescribed by SEBI including submitting to SEBI the reports prepared by independent external agencies relating to the Colocation matter.

SEBI, vide its letter dated April 30, 2019 had returned the Consent Application filed by NSE and had passed orders in respect of the three show cause notices pertaining to NSE Colocation facility, dark fiber and governance and conflict of interest matter. Under the first order, it had passed a direction on NSE inter alia to disgorge an amount of ₹ 624.89 Crs., along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment, which has since been remitted by NSE to an interest bearing account as per the interim order of the Securities Appellate Tribunal (SAT), and certain non-monetary and restrictive directions prohibiting NSE from raising funds from the market, through the issuance of equity, debt or other securities for a period of six months from the date of the order. In the second order, it had passed a direction to deposit a sum of ₹ 62.58 Crs. along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment, which has since been remitted by NSE to an interest bearing account as per the interim order of SAT along with other non-monetary and restrictive directions and in the third order it had passed certain non-monetary and remedial directions on NSE. NSE preferred an appeal in all the said three orders before the SAT. The said appeals are pending for final hearing, except for the colocation matter, which has been heard by SAT and is reserved for orders.

SEBI had earlier directed that, pending completion of the investigation to the satisfaction of SEBI, all revenues emanating from the colocation facility including the transaction charges on the trades executed through the colocation facility be placed in a separate bank account. Accordingly, such transfers were made from time to time. As of March 31, 2021, an amount of ₹ 6,085.04 Crs. was transferred to a separate bank account. Hon'ble SAT heard the matter on May 17, 2021 and modified its earlier order dated May 22, 2019 and allowed NSE to withdraw the amount and close the separate account. However, in order to balance the equities Hon'ble SAT directed NSE to transfer an amount of ₹ 420 Crs. into an interest-bearing account with SEBI which has been remitted by the Company on June 17, 2021.

Additionally, NSE also received adjudication notices covering the above three orders. SEBI in the colocation adjudication matter has passed direction levying a penalty of ₹ 1 Crs., the said order has been challenged by NSE before SAT and the Hon'ble SAT has stayed the said direction. The second and third matters 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. A detailed hearing took place in the matter and thereafter SEBI has passed order dated February 11, 2022. Vide the said order SEBI inter alia levied a penalty of ₹ 2 Crs. on NSE and directed NSE to not launch any new product for a period of 6 months from the date of the order. NSE with the approval of the Board deposited the penalty amount of ₹ 2 Crs. and is complying with the direction on prohibition on launch of new products.

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 its subsidiary in certain entities. SEBI vide its order dated October 01, 2020 has levied a penalty of ₹ 6 Crs. on NSE. NSE has preferred an appeal against the SEBI order and the Hon'ble SAT vide its order dated January 04, 2022 set aside the order passed by SEBI. SEBI has preferred an appeal against the said order before Supreme Court and the same is pending for hearing.
2. SEBI also issued an Adjudication Show Cause Notice dated January 07, 2021 to NSE with respect to the default of Karvy Stock Broking Limited, an erstwhile trading member registered with NSE. NSE had filed its response with SEBI and had also filed a settlement application which has been rejected by SEBI vide its communication dated April 06, 2022. SEBI has passed order dated April 12, 2022 levying a penalty of ₹ 2 Crs. on NSE. NSE is in discussion with its lawyers on the way forward.
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 and the same has been accepted and settled vide SEBI order dated December 28, 2021 for ₹ 4.87 Crs.

4. SEBI issued Show Cause Notice dated August 11, 2021 to NSE and to some of its employees in relation to the technical glitch that took place on February 24, 2021. NSE has filed settlement application dated August 31, 2021 and a detailed reply dated November 29, 2021 has been filed in the matter. Preliminary hearing has taken place on May 04, 2022 w.r.t settlement application. Hearing in the Show Cause notice is underway.
5. NSE while it has not received any show cause notice from SEBI in relation to the Trading Access Point (TAP) matter which pertains to 2013, in terms of the SEBI Settlement Regulations, 2018, filed settlement application with SEBI on January 13, 2022. SEBI vide its letter dated April 21, 2022 has returned the settlement application filed by NSE in light of pending investigation.

4.2.3 Investment to set up International Bullion Exchange (IBX)

During the year under review, NSE along with other prominent Market Infrastructure Institutions set up the International Bullion Holding Company, in IFSC, Gift City, in accordance with the International Financial Services Centre Authority (Bullion Exchange) Regulations, 2020 which have been published in December 2020, under guidance from the International Financial Services Centre Authority ("IFSCA"). The IBX is expected to provide a comprehensive market ecosystem for gold, silver, and other metals like platinum, palladium including bullion dore, diamond, precious stones in both raw and finished forms.

4.3 Share Capital

During the year under review, the Issued, Subscribed and Paid-up equity share capital of NSE was ₹ 49.50 Crs. divided into 49.50 Crs. equity shares of the face value of ₹ 1 each. During the year, the Company has not issued any shares or convertible securities.

4.4.1 Dividend

The dividend policy as adopted by NSE inter-alia states that the declaration and payment of dividend will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws, particularly the Companies Act, 2013, the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SECC Regulations. The dividend payable depends on several internal as well as external factors, including inter-alia capital requirements, earnings, contractual restrictions, applicable legal restrictions, volatility in the capital markets, the overall financial and liquidity position of the Company, uncertainty in the economic conditions and changes in the applicable tax laws.

The dividend policy is available on the website of NSE. (weblink: https://archives.nseindia.com/global/content/about_us/Dividend_policy.pdf)

The Board of Directors at their meeting held on May 06, 2022 recommended the payment of final dividend at ₹ 42 per equity share (on the face value of ₹ 1/- each) for the year 2021-22. The final dividend outflow shall amount to ₹ 2,079 Crs. The payment of final dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting. The final dividend so declared shall be paid to those members whose names appear in the Register of Members of NSE as on July 05, 2022, being the date fixed for eligibility for the purpose of the final dividend.

4.4.2 Unpaid/Unclaimed Dividend

As on March 31, 2022, there was ₹ 15,59,250 (towards dividend declared for FY 2020-2021) lying in the unpaid/unclaimed 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 reviewed the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and have issued their audit report thereon.

4.9 Subsidiaries & Associates

NSE has 16 (direct and indirect) subsidiaries (14 in India and 2 abroad) as on March 31, 2022.

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)

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, 2022 stood at ₹ 45 Crs.

During the financial year 2021-22, NCL earned a Profit

before exceptional item of ₹ 511.48 Crs. as compared to ₹ 393.60 Crs. for the financial year 2020-21. NCL earned a Profit before tax and after exceptional item of ₹ 595.34 Crs. in year 2021-22 as compared to ₹ 325.37 Crs. in year 2021-22 and a net profit after tax of ₹ 460.55 Crs. in year 2021-22 as compared to net profit after tax of ₹ 210.55 Crs. for the year 2020-21. The Board of NCL has recommended a dividend of ₹ 40 per equity share of ₹ 10 each for the year 2021-22. 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.

NSE Clearing 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 Exchanges on which the trades are executed. It is expected to lead to 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, 248 rolling settlements were handled in de-materialised mode. The average value of securities handled per settlement was ₹ 15,433.75 Crs. in 2021-22. The average funds pay-in per settlement was ₹ 3,756.94 Crs. in 2021-22. The average number of shares processed per settlement was about 6,859.51 lakhs in 2021-22. Short deliveries per settlement averaged around 0.11% in 2021-22. The Core Settlement Guarantee Fund stood at ₹ 467.72 Crs. as at March 31, 2022.

F&O Segment: The total value of settlement was ₹ 3,09,572 Crs. in 2021-22. The highest monthly settlement was ₹ 42,817.49 Crs. in the month of February 2022. March 2022 witnessed the highest monthly trading volumes of ₹ 20,95,61,742.95 Crs. The Core Settlement Guarantee Fund for F & O Segment stood at ₹ 2,826.87 Crs. as at March 31, 2022.

NSE Clearing has implemented physical settlement in equity derivatives segment. The total value of securities settlement & funds settlement was ₹ 92,130.10 Crs. & ₹ 53,554.94 Crs. respectively for fiscal year 2021-22.

Currency Derivatives segment: The total value of settlement was ₹ 10,755.81 Crs. in 2021-22. The highest monthly settlement value was ₹ 1,752.88 Crs. in the month of March 2022. The highest trading value in Currency Futures on NSE Clearing during this period was ₹ 1,04,241.90 Crs. witnessed on February 24, 2022, with total of 1,36,26,158

contracts being traded and in Currency Options it was ₹ 1,72,070.61 Crs., witnessed on February 24, 2022, with total of 2,28,47,011 contracts being traded.

The total value of settlement in Interest Rate derivatives was ₹319.33 Crs. in 2021-22. The highest trading volume in Interest Rate Futures during this period was ₹2,055.18 Crs. witnessed on February 24, 2022, with total of 1,08,068 contracts being traded and in Interest Rate Options it was ₹0.38 Crs., witnessed on February 24, 2022, with total of 20 contracts being traded.

The Core Settlement Guarantee Fund for Currency Derivatives Segment stood at ₹274.94 Crs. as at March 31, 2022.

Securities Lending and Borrowing segment (SLBS): NSE Clearing is an Approved Intermediary (AI) for SLBS with SEBI. In 2021-22, the volumes in SLBS decreased by 26.18% from ₹37,409.96 Crs. in 2020-21 to ₹27,617.77 Crs. As compared to previous year, during 2021-22, securities traded in SLBS increased from 356 to 484. As on March 31, 2022, there were 353 participants, 7 custodian-cum-participants and 4 custodians registered in SLBS.

Mutual Fund Service System (MFSS): As on March 31, 2022, 46 mutual fund houses with 26,492 schemes were enabled under the revised MFSS scheme. The average daily value of funds settled for subscription of mutual fund units for financial year 2021-22 was ₹31.89 Crs. The average daily value of funds settled for redemption of mutual fund units for financial year 2021-22 was ₹ 33.51 Crs.

Corporate Debt Instruments: NSE Clearing Limited (NCL) provides DVP-1 based settlement for OTC trades in Corporate Bonds, Repo in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD). The average daily settlement value at NSE Clearing for OTC trades in Corporate Bonds, Commercial Papers (CP) and Certificate of Deposits (CD) during the financial year 2021-22 stands at ₹ 5,237.25 Crs., ₹ 1,929.85 Crs. and ₹ 655.17 Crs. respectively. The highest settlement value, during this period, of ₹ 19,203.71 Crs. (across all corporate debt instruments) was recorded on March 30, 2022. During the financial year 2021-22, NSE Clearing settled 1,731 repo trades on corporate bonds valued at ₹2,28,776.64 Crs.

4.9.2 NSE Investments (NSEI)

NSEI, wholly owned subsidiary of your Company has its main objective to make or hold strategic investments in equity shares and/or other securities of various group Companies. The paid-up share capital of NSEI as on March 31, 2022, stood at ₹ 825.99 Crs., comprising of approximately ₹ 43.55 Crs. equity shares of ₹ 10 each and approximately

₹ 39.04 Crs. 6% Non-cumulative Compulsorily Convertible Preference Shares (NCCPS) of ₹ 10 each.

During the year under review, NSEI infused the following amounts in its wholly owned subsidiaries:

- ₹ 4 Crs. in its wholly owned subsidiary- NSE Academy Limited, in the form of 7% Optionally Convertible Cumulative Preference Shares (OCCPS) of ₹ 10 each for funding the business initiatives of NSE Academy and its subsidiary, TalentSprint Private Limited.
- ₹ 18 Crs. in NSEIT Limited, its wholly owned subsidiary, in the form of Optionally Convertible Cumulative Preference shares towards the funding of its organic initiatives and inorganic initiatives.

Further, during the year under review, NSE Investments divested 5% stake in Power Exchange of India Limited (PXIL) to NTPC Vidyut Vyapar Nigam Limited. The outstanding stake of NSE Investments in PXIL now stands at 29.21%.

During the year under review, one of the Associates of NSE Investments, Protean eGov Technologies Limited (erstwhile NSDL e-Governance Infrastructure Limited) has filed its DRHP with SEBI for Listing through Offer for Sale (OFS). NSE Investments has indicated its interest to participate in the OFS by offering 7.8% shareholding in the Company.

During the year under review, NSE Investments acquired 6.35% equity stake by way of subscribing to first tranche of 10,00,000 equity shares of ₹ 100 each aggregating to ₹ 10,00,00,000 in open Network for Digital Commerce (ONDC), a Section 8 Company, incorporated by Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India.

For the Financial Year 2021-22, NSEI earned revenues of ₹ 233.64 Crs. as compared to revenues of ₹ 2,038.59 Crs. for the previous year. NSEI earned a profit of ₹ 223.28 Crs. as compared to ₹ 1,796.10 Crs. for the previous year.

During the year FY 2021-22, the Board of NSEI has recommended an Interim and Final dividend of ₹ 18.65 per equity share and ₹ 0.60 per preference share. The payment of the final dividend on equity shares is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEI.

4.9.3 NSE Indices Limited

NSE Indices Limited (NSE Indices), a step-down 100% subsidiary of NSE, provides an index (under the brand "Nifty") and index related services to various stock exchanges, asset management companies, insurance companies, investment banks and other financial institutions across the globe.

Apart from being used for the launch of index linked funds/ Exchange Traded Funds (ETFs) and trading of index based derivative contracts, the Nifty indices are also being used by the asset management companies for benchmarking the performance of their active fund schemes.

The paid-up share capital of NSE Indices as on March 31, 2022, 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 ₹ 43,99,251.35 Crs. in FY 2021-22 as compared to a turnover of ₹ 44,65,068.17 Crs. in FY 2020-21, thus registering a decline of 1.47%. Premium Turnover of Nifty 50 Options traded on NSE increased to ₹ 20,69,584.07 Crs. in FY 2021-22 from ₹ 10,60,455.92 Crs. in FY 2020-21, registering an increase of 95.16%. The Nifty Bank Futures traded on NSE recorded a turnover of ₹ 40,26,033.99 Crs. in FY 2021-22 as compared to a turnover of ₹ 45,73,973.09 Crs. in FY 2020-21, thus registering a decline of 11.98%. Premium Turnover of Nifty Bank Options traded on NSE increased to ₹ 37,72,284.85 Crs. in FY 2021-22 from ₹ 15,67,842.81 Crs. in FY 2020-21, registering an increase of 140.60%.

The total Assets under Management (AUM) of the ETFs (equity and debt) and Index Funds linked to Nifty indices in India was ₹ 3,53,299 Crs. as on March 31, 2022, as compared to ₹ 2,23,180 Crs. as on March 31, 2021. Total Passive funds AUM in India has grown by 61% from ₹ 3,09,217 Crs. as on March 31, 2021, to ₹ 4,99,319 Crs. as on March 31, 2022. In FY 2021-22, 79 passive products (ETFs and Index Funds) were launched in India of which 62 are linked to Nifty Indices.

As on March 31, 2022, 13 ETFs linked to Nifty indices have been issued by international ETF issuers (7 on Nifty 50, 2 on Nifty50 2x Leverage, 1 on Nifty50 1x Inverse, 1 on Nifty 50 Equal Weight, 1 on Nifty Financial Services 25/50 and 1 on Nifty India Select 7 Government Bond Index) in international markets. The total AUM of International ETFs linked to Nifty Indices was USD 1,024 Million as on March 31, 2022 as compared to USD 1,033 Million as on March 31, 2021.

During FY 2021-22, NSE Indices earned net profit after tax of ₹ 153.72 Crs. as compared to net profit after tax of ₹ 120.50 Crs. in FY 2020-21. The Board of NSE Indices recommended a dividend of ₹ 1,070/- per equity share for FY 2021-22. 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 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. September 22, 2020 (i.e. the date of the execution of the Collaboration Agreement. The NSE IFSC – SGX connect is expected to go live in FY 22-23 and once the connect goes live, the licensing agreement with SGX for trading of derivatives products will be terminated as per the collaboration agreement signed with SGX.

On March 14, 2022, NSE Indices Limited published its first Nifty Alternative Investment Fund (AIF) Benchmark Report. The Nifty AIF Benchmark Report aims to provide the users insights into the aggregate historical performance of various categories of AIFs in India. This report will help the investors in comparing historical performances of various AIFs with their respective benchmarks and with public market indices like Nifty 50, Nifty 100 and Nifty 500 etc., where applicable.

4.9.4 NSE INFOTECH

NSE Infotech, a step-down subsidiary of NSE is 100% owned by NSEI. The paid-up share capital of NSE Infotech as on March 31, 2022 stood at ₹ 5 lakhs.

During FY 2021-22, the Company has a net loss of ₹0.48 lakhs as compared to profit of ₹9.04 lakhs during FY 2020-21. The Board of directors, at their meeting held on April 25, 2022 proposed a dividend of ₹120/- per equity share for FY 2021-22 amounting to ₹ 60 lakhs out of the opening accumulated profits (retained earnings) on March 31, 2022. 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% of share capital is held by NSE Investments Limited, carries on the business of, inter alia, designing, developing, maintaining, marketing, buying, importing and exporting, licensing and implementing computer software and hardware. As on March 31, 2022, the issued, subscribed and paid-up share capital of the Company was ₹ 1,280,000,100/- comprising of 10,000,010 equity shares of ₹ 10/- each amounting to ₹ 100,000,100 and 10,000,000, 7%, Seven Years, Cumulative Redeemable Preference Shares of ₹ 100/- each amounting to ₹ 1,000,000,000 and 1,800,000, Series A, 7%, Seven Years, Cumulative Optionally Convertible Redeemable Preference Shares of ₹100/- (Rupees Hundred) each amounting to ₹ 180,000,000.

During the financial year 2021-22, NSEIT on a standalone basis, earned a total income of ₹ 405.19 Crs. as compared to previous year's total income of ₹ 272.36 Crs. The net loss after tax for the year was ₹ 8.82 Crs. as compared to net profit after tax of ₹ 22.76 Crs. in the previous year. On a consolidated basis, the total income of NSEIT increased to ₹ 671.15 Crs. from ₹ 414.54 Crs. in the previous year and the profit after tax stood at ₹ 6.50 Crs. as against ₹ 26.05 Crs. in the previous year.

The Board of NSEIT recommended a dividend of ₹ 1 per equity share and 7% on the Cumulative Redeemable Preference Shares of ₹100/- each, for the financial year 2021-22 and Series A, 7% on the Cumulative Redeemable Preference Shares of ₹100/- each, for the financial year 2021-22. The payment of a dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSEIT.

Initiatives, Operations and Major Events during the year FY2021-22

As the world continued to wrestle with Covid-19 challenges, the company focussed on employee well-being & ensuring

business continuity for our clients. NSEIT responded to the pandemic by extending assistance to its employees in the form of additional paid leaves to recuperate, domiciliary expense support and in the unfortunate event of a demise, provide additional financial & moral support to the kin.

The Company also had a team of volunteers who were sharing critical information and updates with employees in need, on a regular basis. As part of its continued emphasis on health and well-being of its employees, the Company partnered with NSE and organised vaccination drives to protect the health of its employees and their dependants.

The Company is committed to ensuring an equal opportunity workplace, free of discrimination or harassment. During FY2021-22, the Company received following coveted recognitions for its efforts in this space:

- A) Awarded as Winner in the Category of **Diversity & Inclusion Awards in the Leadership Summit & Awards 2021** organised by team Morpheus for being instrumental in helping create a diverse, equitable and inclusive workplace at NSEIT.
- B) Certified in the **top 10 Safe Places To Work** by Rainmaker. Rainmaker is an external organisation focused on creating ethical and compliant workplaces and they conducted a "Safe Places to Work" survey across all women employees in NSEIT.

NSEIT has also been recognised in the industry for its talent management efforts and was a recipient of the following awards:

- A) NSEIT has been recognised by the "**Maharashtra State Best Employer Brand Awards**" for its continued efforts to attract, develop, engage and retain talent.
- B) NSEIT won the **Best People Development Strategy Award** at the **HRAI Awards**. The Award recognizes organizations who have delivered excellence through people development strategies that are aligned with the overall business strategy.

Business Updates:

I. Digital:

NSEIT's focus on strengthening agility, resiliency and future readiness of the company has helped it mitigate challenges related to changing business needs in a disruptive environment.

To achieve the above, NSEIT embarked on a fundamental restructuring of the Digital business organisation and segregated the functions of Practice and Delivery which were earlier operating as one entity. Further it aligned the Practice

into distinct services lines of Data, Cloud, Applications and Security. All associated service components were aligned under one of these key pillars and competencies/skills and differentiated capabilities were augmented. This would be an ongoing journey with an intent of enhancing our service level maturity. The delivery organisation was carved out and augmented with people capabilities and processes/workflows defined to ensure that programs are tracked for success with a view on timelines. We have also embarked on building a “domain-centric” capability with a focus on industry. Thus, there has been an overall focus around building capability/scale across industry domain, practice and delivery.

To realise this transformation, there was an infusion of diverse talent across all levels. NSEIT also onboarded leadership team members across areas to accelerate this journey. NSEIT also launched specific “talent programs” that enabled us to scale up the talent needs of the organisation.

New clients have been added to the digital business unit despite the initial hiccups due to the Covid-19 scenario. These additions have been in line with the strategic direction to move up the value chain by offering differentiated value propositions that would leverage the combined capability of the NSEIT group. This would help NSEIT increase its “managed services” footprint and also cater to niche digital services for our clients and help them embrace this digital journey.

The Company has now oriented itself to addressing business challenges for our clients and delivering technology solutions that facilitate key business outcomes. Some of the notable clients include regulators, large PSU & private banks, an account aggregator, and a leading clearing corporation, amongst others.

The Company has solved the following outcomes for its clients:



Some notable engagements include:

- Facilitating information exchange to boost the R&D culture between industry, scientific research and development

ecosystem that has social impact in line with Sustainable Development Goals for the Government of India.

- Creating a platform for a leading Asian Exchange’s Derivative Trading members to trade into NSE IFSC.
- Supporting Data Modernization journey by migrating half-petabytes of Trade data on Cloud.
- Advised and consulted for setting up GIFT Connect System.
- Unifying sources of data and reducing the turnaround time from days to seconds thereby automating the process of data management & analytics across premium, claims, commission & expense for a leading Insurance provider bank.
- Providing a state-of-art channel portal enabling easier / faster onboarding of clients, increasing operational efficiency & providing new value added services that is estimated to provide a 5x business growth for a well-known International Brand.
- Setting up of the middleware platform for retail banking using IBM Cloud pack product suite to enhance their digital transformation journey and reduce time-to-market for new business requirements for a large Indian Bank.
- Revamping the clearing solution for a world renowned exchange.
- Enhancing our existing global relationships during the course of the year.

The Digital Business grew by 51.1% with gross revenue of ₹ 204.25 Cr for FY 2021-2022. The IT industry at large has been impacted by extremely high attrition levels and the digital business too was challenged on this front. . Employee costs rose substantially, especially in the 2nd half of FY 2021-22 affecting the gross margins for the business. The company has now embarked on a multi-pronged approach to mitigate challenges of attrition and has set in motion many initiatives to attract and retain talent.

II. Digital Examination Services (DEX):

Digital Examinations Services’ (DEX) revenue for 2021-22 was ₹ 200 Crs. and surpassed the earlier year’s revenue by 66%.

DEX business was able to ink several multi-year contracts through the course of the year and was able to establish itself as a vendor of choice in new territories across India. There were several large recruitment exams conducted in the 2nd half of the year.

The Digital Examinations Services (DEX) business came off a very challenging phase of business disruption on account

of Covid19 in the initial period of FY2021-22. Many planned examinations had to be cancelled/postponed as a result of the pandemic and the business found eventual momentum later in the year. In this year the DEX business endeavoured to enhance its operational rigour and controls and deliver its services using technology platforms for conducting examinations. It also leveraged remote operations where possible and instituted clear guidelines and protocols related to Covid management.

During the year, the business conducted certification exams (1.2 Million) in its own 229 centres, extended reach to 472 districts due to candidate travel restrictions across the country using Tablet based examinations. There were large recruitment exams conducted for several state and central government bodies on a pan India basis.

Efforts have also been initiated to diversify the business into Ed-Tech services venturing into domestic as well as international geographies. Synergies have been leveraged with NSE Group companies such as NSE Academy & TalentSprint in the skilling space.

4.9.6 NSE Data & Analytics Limited (NSE DATA)

NSE Data, a 100% step-down subsidiary of NSE, carries on the following businesses:

- Infofeed - Dissemination of NSE's trading data.
- Know Your Customer (KYC) Registration Agency (KRA).
- Managed Service Provider for Central KYC Registry (CKYCR) to Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI).

The paid-up share capital of NSE Data as on March 31, 2022 was ₹ 9 Crs. comprising of 90 lakh equity shares of ₹ 10 each.

During FY 2021-22, NSE Data on-boarded a number of new infofeed clients in India as well as international markets. The implementation of a non-display policy for the infofeed business was again a focus area for the year and a number of new clients signed up under the non-display policy during the year. The company has been focusing on moving up the value chain by launching analytical products on trading data feed which will help the investors in their investment decisions.

NSE Data also provides fixed income valuation services catering to Mark to Market (MTM) requirement of asset managers/enterprises including mutual funds, insurance companies, banks, PMS, Corporates, FPIs and other market participants. Valuation is available for corporate bonds/NCDs, Commercial Paper (CP) and Certificate of Deposits (CD), Dated Government securities, T-bills and State Development Loans (SDLs). The company covers the valuation of 10,000+ instruments and maintains a Database for 6,000+ terms and

conditions of debt instruments and credit rating for 2,500+ issuers.

NSE Data also launched NSE FixedIn, a web-based fixed income and fund analytics platform. NSE FixedIn offers rich fixed income security and fund analytics along with providing insights into fixed income markets and funds through a highly interactive and user-friendly web-based interface. The NSE FixedIn platform offers various analytics modules that allow users to analyze return and risk attributes at security and fund level.

NSE Data is a SEBI registered KYC Registration Agency (KRA) and commenced its operations on March 06, 2012. As on March 31, 2022, 1,635 SEBI intermediaries are registered with NSE Data KRA and there are about 15 lakh KYC records with NSE Data KRA.

NSE Data was appointed as Managed Service Provider for Central KYC Records Registry (CKYCRR) initiated by Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). CKYCRR is a centralised platform for uniform KYC norms facilitating inter-usability of the KYC records across the entire financial sector. A Committee of Regulators headed by RBI, formulated and designed a common KYC template which is valid across the financial institutions. RBI, IRDA, PFRDA and SEBI have issued circulars directing their regulated entities to integrate with CKYCRR as per the PMLA rules.

CKYC Records Registry went live for individuals on July 15, 2016. KYC template for legal entities was operationalised on CKYCRR on April 02, 2021. As on March 31, 2022, 5,641 entities have gone live on CKYCRR, with more than 53 Crs. KYC records being uploaded on CKYCRR. During FY 2021-22, 17.46 KYC records were uploaded on CKYCRR as against 14.40 Crs. KYC records in FY 2020-21. There has been a surge in the number of KYC records downloaded from CKYCRR with 16.97 Crs. records being downloaded in FY 2021-22 as against 6.51 Crs. downloads in FY 2020-21.

During FY 2021-22, NSE Data earned a net profit after tax of ₹ 78.40 crs as compared to net profit after tax of ₹ 70.43 crs in FY 2020-21. The Board of NSE Data recommended a dividend of ₹ 35/- per equity share for FY 2021-22. The payment of the dividend is subject to the approval of the members which is being sought at the forthcoming Annual General Meeting of NSE Data.

4.9.7 NSE Academy Ltd. (NAL)

NAL is a wholly-owned subsidiary of National Stock Exchange of India Ltd. and its mission is to promote financial literacy as a necessary life skill. NSE Academy's initiatives, including

partnerships with state and national school boards and schools, interactive courses on personal finance and certification programs, teach school children, homemakers and other non-finance professionals the value of investing, provide an introduction to the Indian capital markets and help to develop new market professionals.

The paid-up capital of NAL as on March 31, 2022 stood at ₹ 149 Crs. comprising of 1,39,00,000 preference shares of ₹ 10 each and 1,00,00,000 equity shares of ₹ 10 each.

Key Initiatives / Developments during the Financial Year 2021-22

1) 'Accredited Learning Provider' status by LPI

NSE Academy Limited is awarded The Accredited Learning Provider status by The Learning and Performance Institute (LPI). LPI is a global accrediting body for quality learning initiatives. The accreditation is a mark of quality for NSE Academy. As an accredited body, NSE Academy may thereafter accredit other organizations and be a torchbearer of excellence in offering learning programs.

2) Partnerships on NSE Knowledge Hub

State Bank of India: NSE Academy has collaborated with State Bank of India as Content Partner on NSE Knowledge Hub. Under this collaboration, SBI's digitised eLearning courses and programs content related to BFSI segment shall be onboarded to NSE Knowledge Hub through application programming interfaces. The courses and programs will be delivered through NSE Knowledge Hub portal. So far, 11 courses have gone LIVE.

Few other important partnerships on NSE Knowledge Hub are (i) Deakin University, Australia (ii) Association for Financial Professional, Singapore (iii) Harappa Learning Private Limited, Delhi (iv) Risk Institute Management Society, USA, (v) Yes Securities (vi) ICICI Securities.

3) TRADE-A-THON

TRADE-A-THON, a national Livestock Trading Contest conducted by NSE Academy. In its inaugural year, this annual contest aims to promote sound trading and investing among youngsters through an engaging learning and gaming experience. Commenced from the 1st week of March 2022, the contest involved one week of training on capital markets, one week of practice on NSMART – NSE Academy's simulated market trading platform, and one week of competition. Even beginners with no prior knowledge of capital markets / trading could learn the concepts in the training sessions and then practice and compete.

4) Professional Development Program (PDP)

FY 2021-22 also continued with the surge in online Professional Development Programs (PDPs). Online PDPs were conducted on various topics on Financial Markets like Intraday Trading, Technical Analysis, Fundamental Analysis, Options Trading, Financial Modeling, Equity & Financial Derivatives, Index Trading Strategy, Capital Market & Financial Derivatives, Advanced Technical Analysis.

5) NSE Academy's Industry Readiness Program (NIRP)

Unique programs were designed for students keen to pursue careers in the BFSI (Banking, Financial Services, and Insurance) sector and Capital Markets segment of the BFSI Sector. The programs aimed to impart practical knowledge about the various aspects of Banking and Insurance and Capital Markets and assist students in acquiring essential skills required to perform in the fastest growing segments of the BFSI industry.

6) Learning and Development (L&D) Initiatives

- a) Source-Train-Assess-Retain (STAR) - a unique hire-train-deploy model for talent sourcing and training for large financial firms.
- b) Placement Officers Workshop for Excellence in Recruitment (POWER) – a unique 5-part intervention program for Placement Officers & Academicians all over India.
- c) On Women's Day March 08, 2022, NSE Academy hosted renowned Financial Planning Author and Speaker Monika Halan for an interesting webinar on 'Financial Freedom for Women'.

7) Few Important Collaborations - includes Domestic & International

➤ Higher Education Institutions

- a) Department of Management Studies, Indian Institute of Technology, Dhanbad
- b) Department of Management Studies, Indian Institute of Technology, Roorkee
- c) Indian Institute of Management, Jammu
- d) Institute of Management & Technology (IMT Hyderabad)
- e. Ashoka University, Sonapat

➤ Collaboration with Government Bodies and Corporates

- a) Reserve Bank of India
- b) NABARD

- c) NTPC
- d) HDFC AMC
- e) India First Insurance
- a) SBI Mutual Funds
- b) Tata Capital Housing Finance
- c) Bajaj Allianz Life Insurance
- d) Aditya Birla Capital
- e) Axis Bank

During the financial year 2021-22, NAL incurred loss (after tax) of ₹ 11.34 Crs. as compared to loss (after tax) of ₹ 5.76 Crs. for the financial year 2020-21.

During the year under review NSEI infused ₹ 4 Crs. 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 Ltd (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. SEBI further granted renewal of recognition to NSE IFSC until May 28, 2021. The International Financial Services Centres Authority (IFSCA) has been notified as the regulator for the Stock Exchanges (including for NSEIFSC) and clearing corporations in the IFSC with effect from October 1, 2020 with the notification by the Government of India of the commencement of section 13 and section 33 of the International Financial Services Centres Authority Act, 2019 (IFSCA Act) with effect from October 01, 2020. IFSCA has granted renewal of recognition to NSE IFSC until May 28, 2022.

Paid-up capital of NSE IFSC as on March 31, 2022, stood at ₹ 250 Crs. comprising of ₹ 25 Crs. equity shares of ₹ 10 each.

As on March 31, 2022, NSE IFSC had 49 registered trading members and 34 members enabled for trading. NSE IFSC has introduced trading in the following asset classes: Global Stocks, Equity Index Derivatives, Indian Stock Derivatives, Commodity Derivatives and Currency Derivatives including Derivatives on Indian Rupee, Debt Securities and Depository Receipts.

The aggregate turnover for FY 2021-22 was USD 242.81 Bn. As on March 31, 2022, NSE IFSC Debt Securities Market (DSM), has established total cumulative Medium-Term Notes (MTNs) worth USD 40.8 Bn and listed over USD 21.08 Bn from 11 issuers.

NSE IFSC Limited has initiated a series of measures to build liquidity in various product classes and broad base participation on the Exchange. As part of the endeavour, the Exchange has introduced Liquidity Enhancement Schemes for various products including Futures & Options on Nifty 50 and Futures on Gold.

On the regulatory front, during the previous financial year, the IFSC Authority has initiated various regulatory measures across the capital markets in IFSC in line with other global financial centres. IFSCA has issued regulations on Market Infrastructure Institutions, Capital Market Intermediaries, Performance Review Committee, Issuance and Listing of Securities and other notifications and circulars in operational and policy matters in capital market.

Key Highlights:-

- NSE IFSC has introduced trading in Global Stocks - India's first Un-sponsored Depository Receipts (NSE IFSC Receipts) under the IFSCA Regulatory Sandbox which offers, Indian retail investors to transact on the NSE IFSC platform under the Liberalised Remittance Scheme ("LRS") prescribed by the Reserve Bank of India ("RBI").
- GIFT Data Connect was launched which allows SGX Institutional investors to read the price data of NIFTY derivative product at NSE IFSC on a real time basis. The launch of GIFT Data Connect is a step closer towards operationalizing the NSE IFSC - SGX Connect at GIFT IFSC. The connect will bring together international and GIFT participants to create a bigger liquidity pool for Nifty products in GIFT City.
- NSE IFSC launched derivatives on Nifty Financial Services Index (FINNIFTY) on April 30, 2021, to offer more flexibility to foreign investors to hedge their portfolio. Currently NSE IFSC offers index derivatives on NIFTY50, BANK NIFTY and NIFTYIT.
- NSE IFSC has appointed BSO, a global pioneering infrastructure and connectivity provider, as its first official international approved connectivity partner. The partnership will provide Asian, European and American trading firms with added infrastructure solutions helping future traders gain faster, more secure access to the Indian market via BSO's global network.

For the financial year 2021-22, NSE IFSC incurred a loss of ₹ 53.06 Crs. as compared to loss of ₹ 41.32 Crs. for the financial year 2020-21.

4.9.9 NSE IFSC Clearing Corporation Ltd. (NICCL)

NICCL, a step-down subsidiary of NSE, wherein 100% share capital is held by NSE Clearing Limited (NCL), a wholly owned

subsidiary of NSE, commenced operations as Clearing Corporation in GIFT City, Gandhinagar, Gujarat, India, with effect from June 05, 2017, after receiving approval from SEBI.

IFSC Authority further granted renewal of recognition to NICCL until May 28, 2022. The paid-up share capital of NICCL as on March 31, 2022, stood at ₹ 90 Crs. comprising of 9 Crs. equity shares of ₹ 10 each.

NICCL clears and settles trades executed on NSE IFSC Ltd. (NSEIFSC). NICCL has the following types of clearing membership – Professional Clearing Member, Trading Cum Clearing Member, and Trading Cum Self Clearing Member. NICCL has put in place a robust and comprehensive Risk Management System. NICCL has adopted global best practices and adopted the CPMI IOSCO Principles for Financial Market Infrastructures (PFMIs).

Clearing Banks and Depositories are the key link between clearing members and NICCL for funds and securities settlement. Members are required to maintain and operate a clearing and pool account with any one of the designated clearing banks and depository / depository participant. There are currently 7 clearing banks empanelled with NICCL for issuance of collateral and 6 Banks for clearing and settlement of funds. For the purpose of settlement of securities NICCL has established connectivity with CDSL IFSC Ltd., a Depository in IFSC. During the financial year 2021-22, NICCL incurred a loss of ₹ 10.07 Crs. as compared to loss of ₹ 9.23 Crs. for the financial year 2020-21.

Initiatives and major events during the the Financial Year 2021-22:

1. NICCL provides Clearing & Settlement, Risk management for India's first unsponsored Depository Receipts (NSEIFSC Receipts) under the regulatory sandbox framework prescribed by IFSC Authority.
2. NICCL becomes first Clearing Corporation at IFSC to physically settle unsponsored Depository Receipts (NSEIFSC Receipts).
3. NICCL has revised its risk management framework across all derivative and cash products.
4. NICCL has executed Agreement with CDSL IFSC Ltd. for Depository connectivity.
5. ESMA has intimated that NICCL shall be categorised as Tier 1 CCP.

Operational Updates:

1. As of March 31, 2022, NICCL clears and settles derivative contracts on 4 Indices, 7 currency pairs, 2 commodities,

156 single stocks, 1 DR Receipt and 50 NSEIFSC Receipts.

2. NICCL has 9 clearing members, out of which 4 are self-clearing members and 5 are trading cum clearing members.
3. As on March 31, 2022, the Core Settlement Guarantee Fund was USD 1.41 Mn.
4. The total value of the settlement for 2021-22 was USD 7.23 Mn. The highest monthly settlement in FY 2021-22 was USD 1.01 Mn for the month of December 2021.

4.9.10 NSEIT (US) Inc. ("NSEIT US")

NSEIT US, a step-down subsidiary, whose 100% share capital is held by NSEIT is involved in the business of, inter alia, providing information technology and information technology enabled services.

During the financial year 2021-22, NSEIT US incurred net Profit after tax of ₹ 6.75 Crs. as compared to net loss of ₹ 0.06 Crs. during the financial year 2020-21.

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, 2022 was ₹ 5,00,000 comprising of 50,000 equity shares of ₹ 10 each.

During FY 2021-22, the excess of Income over Expenditure of NSE Foundation was ₹ (9.83) Crs. as compared to the excess of income over expenditure of ₹ (39.41) Crs. during FY 2020-21.

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 ₹ 16.13 Crs. are 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 100% share capital is held by NSEIT is involved in the business of, inter alia,

providing Cybersecurity services with operations in India, the Middle East and North America. The service portfolio includes cyber risk advisory, identity management, security verification, security engineering, cloud security & managed detection & response.

During the financial year 2021-22, Aujas total income grew by 45% from ₹ 146.61 Crs. to ₹ 213.17 Crs. The net profit after tax was ₹ 0.14 Crs. as compared to net profit after tax of ₹ 3.36 Crs. during the financial year 2020-21.

In challenging talent acquisition and retention times, the Aujas team grew to over 800 members. International business a key strategic objective had good progress with both North America & Middle East revenue growing 60% over FY 2020-21. All practices and service lines showed healthy growth, particularly Identity & Access Management and Security Verification Services. Aujas' platforms, CodeSign and Saksham (Account aggregator) were adopted by several customers.

During the year, the employee satisfaction rating improved from 7.9 to 8.1 (scale of 1-10) and NPS (net promoter score) improved from 27% to 32%.

4.9.13 TalentSprint Private Limited

NSE Academy Ltd., is a majority stakeholder in deep tech education firm TalentSprint Private Limited.

TalentSprint Private Limited is a new-age education technology company which inter-alia engaged in the business of offering skill oriented and career enhancing learning in deep tech, artificial intelligence, automation, and other related areas that are going through rapid industry growth and changing workplace environment to young and experienced professionals who are seeking new skills for employment and up-skilling themselves to navigate the dynamic job world.

It brings transformational high-end and deep-tech learning programs to emerging and experienced professionals in partnership with top academic institutions such as IIIT Hyderabad, IIM Calcutta, IIT Kanpur and IIT Hyderabad, IISc Bangalore, and global corporations. The Company has launched disruptive, category-leading programs such as Computational Data Science, Digital Health, Deep Learning, IoT and Smart Analytics, and AI-powered Marketing. The Company also filed two provisional patents for its digital delivery platform ipearl.ai, adding to the IP strength of the Company. 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 ₹ 72.16 Crs. and total expenditure was ₹ 73.896 Cr. which resulted in a loss before tax of ₹ 0.26 Crs.

During the year under review TalentSprint Private Limited has incorporated a 100% subsidiary in United States of America, TalentSprint Inc, to capitalize on currently available opportunities.

4.9.14 Cogencis Information Services Limited

NSE Cogencis, a 100% subsidiary of NSE Data, is a leading data, news and market intelligence provider to financial market professionals in India. It's clients include scheduled commercial banks, asset management companies, insurance companies and conglomerates and large corporates as its customers. Its flagship product NSE Cogencis WorkStation enables financial market professionals to make informed trade and investment decisions by providing reliable data, news and analytics. NSE Cogencis WorkStation has a large user base across Fixed Income, Forex, Equities, Commodities and Derivative markets. NSE Cogencis is also a leading Data Feed solutions provider to both sell side and buy side institutions in India covering all assets classes across exchange traded and OTC products and benchmarks. Its innovative Data Feed solutions allow financial institutions to ingest data from a myriad of sources through a single interface to power digital applications and mitigate both operational and regulatory risks.

In FY 2021-22, the company undertook several initiatives to enhance analytical capability of its flagship product, NSE Cogencis WorkStation. It has also significantly improved its content coverage across securities, funds and macroeconomic data covering India and G20 countries. During the fiscal year 2021-22, the company earned a net profit before tax of ₹ 20.30 Crs. in comparison to a net profit before tax of ₹ 20.47 Crs. (including ₹ 1.03 Crs. profit on transfer of News and Credit Data business) in 2020-21.

4.9.15 CXIO Technologies Private Limited (CXIO)

CXIO, a step-down subsidiary, whose 60% share capital is held by NSEIT is involved in the business of, inter alia, providing multi cloud service and support services to national and international organisations. The Company became a subsidiary of NSEIT wef 7th July, 2021.

During the financial year 2021-22 (post acquisition), the total income of CXIO was ₹ 59.36 Crs. and the Net Profit after tax was ₹ 9.57 Crs.

4.9.16 - TalentSprint Inc.

TalentSprint Inc. is a fully-owned subsidiary of TalentSprint Private Limited, formed in the state of Delaware in the United States of America on November 29, 2021 for the purpose of carrying out the business of Education and Training. It has started its operations and signed a contract with Google, Inc, to deliver high end coding bootcamps to community colleges

and minority institutions across five states in the USA. It has recorded revenue of ₹ 586.98 Lakh and ₹ 104.71 Lakh net profit in its first year.

It also signed the first global university partnership with the prestigious Carnegie Mellon University to offer deeptech certification programs in multiple markets. This has set the stage for TalentSprint to acquire more such global alliances in the future.

4.9.17 Associate and joint ventures

National Securities Depository Limited (NSDL) is an associate of NSE in which NSE presently holds 24% of the equity share capital. NSE also continues to hold equity investment in the BFSI Sector Skill Council of India.

Further, Market Simplified India Ltd, Protean eGov Technologies Limited (formally known as NSDL E-Governance Infrastructure Limited), Power Exchange India Limited (PXIL), Receivables Exchange of India Limited, Capital Quant Solutions Private Limited and Indian Gas Exchange Limited are associates of NSEI, a wholly owned subsidiary of NSE.

During the year under review, NSEI acquired a stake in ONDC.

4.10 Deposits

Your Company has not invited, accepted or renewed any deposits within the meaning of Section 73 of the Companies Act, 2013. Accordingly, the requirement to furnish details relating to deposits covered under Chapter V of the Companies Act, 2013 does not arise.

4.11.1 Risk Management

Your Company has in place a Board approved Enterprise Risk Management Framework that is well supported by Risk Governance structures, Risk Policies and a detailed Risk Measurement and Monitoring Framework. Your Company has established an enterprise-wide risk assessment and review mechanism which inter-alia consists of risk identification, assessment and categorization of risks taking into account the impact and likelihood of risks and the controls and mitigation plans that are in place to reduce the overall risk exposure for your Company and the residual impact thereof. Your Company has a Risk Management Committee, a subcommittee of the Board and Management level Risk Committees that meet periodically to review the efficacy and adequacy of your Company's Enterprise Risk Management Framework on an ongoing basis and also to review the controls and mitigation plans that are put in place to reduce the overall impact of the various risks.

With respect to Cyber and Information Security Risk, your Company has implemented state-of-the-art cyber security architecture, controls and solutions. Your Company has

adopted the SEBI mandated cyber security framework for the design and operation of controls that defend us from advanced cyber-attacks. During the fiscal year, your Company was certified for ISO 27017:2015 demonstrating mature practices in Cloud Security. The Board had appointed M/s Grant Thornton India LLP as Cyber Security auditors for the period April 2021 to March 2022. During the year under review, no major cyber security incidents or breaches were observed.

During the fiscal year, your Company also undertook various risk culture 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 adopting state of the art technology platform and it ensures reliability and performance of its systems through a culture of innovation and investment in new technology. NSE has regularly upgraded its information technology systems and infrastructure, with the overarching goal of continually augmenting computing capacity, improving robustness, availability, resiliency enhancing user experience and providing flexibility for future business growth and market needs. The various application systems that NSE uses for its trading as well clearing and settlement, surveillance and other operations form the backbone of the Exchange framework. Our systems are constantly monitored and required to meet specific performance criteria such as predictable response times for critical business transactions, latency, capacity and expected current, future and peak load. Technology vision and strategy drives technology initiatives and constant upgradation; apart from this, new business needs, regulatory requirements, advisories and information security reviews/audits, and recommendations from OEMs drive the technology upgrades. 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 systems audit for the period from October 01, 2021 to March 31, 2022.

4.12 Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of FY of the Company and the date of the Report

There were no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial period to which the Financial Statements relate and the date of this Report.

14.13 Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's Operations in future

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operation.

4.14.1 Explanations or comments on the qualification, reservation or adverse remark or disclaimer made by the Auditor in his Report

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors appointed under Section 139 of the Companies Act, 2013 in their report. Hence the need for explanations or comments by the Board does not arise. The report of the Statutory Auditors form part of the financial statements.

The Secretarial Audit Report does not contain any qualifications, reservation, adverse remarks or disclaimers except that:

1. The company's code of conduct framed by the company in pursuance of Reg. 9(2) of PIT Regulations does not contain minimum standards to be set out in accordance to Schedule C of PIT Regulations.
2. The company was not having approval for acting as a STP Centralised Hub till 8th June 2021 which is to be taken from SEBI. However, this has been settled by paying settlement amount as mentioned below in material events.

Management Response:

1. The Company will make necessary changes to its code of ethics framed pursuant to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 in line with the requirements of circular bearing reference SEBI/HO/MRD/DCAP/CIR/P/2021/23 dated March 03, 2021 and Schedule C of PIT Regulations, by 30 June 2022.
2. The matter has been settled through Order no. SO/SBM/KL/2021-22/6462 upon payment of ₹ 4.87 Crs.

The Report of the Secretarial Audit is annexed herewith as Annexure 6.

4.14.2 Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditors 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 28, 2020, a copy of Annual Return for the financial year 2021-22 will be uploaded on the website of the Company <https://www.nseindia.com/investor-relations/other-disclosures>.

5. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company and its subsidiaries, prepared in accordance with Indian Accounting Standard 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of your Company. Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the financial statements in Form AOC-1. Your Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of your Company or its subsidiary companies. These financial statements will also be kept open for inspection by any member at the Registered Office of your Company and its subsidiary companies.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of your Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of your Company.

6. HUMAN RESOURCES

1. Learning & Development (L&D) and Talent Management:

In FY 2021-22, Organization Development (OD) and Talent Management continued the path of value creation by focusing on role based and competency-based capability and skill building programs. The key initiatives taken under the Talent and OD team were as follows:

Learning & Development: FY 2021-22 continued to be a year of leveraging 100% digital medium for learning and development. Key focus was to continue to build and strengthen customised learning pathways in terms of design and content, by factoring in user experience and access to participants.

The Learning & Development interventions were linked to the role and level and designed basis 3 vital inputs viz. training need identification taken from various stakeholders, competency framework of NSE and the future skill needs, and behaviours linked to the culture levers and business requirements. 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 business operating model continuing to be work from home for FY 2021-22 the team adopted to the digital platform to deliver 22 Unique programs covering 968 unique employees with 25% of the Learning Hours invested in Technical and Functional training and 75% of Learning hours in Behavioural trainings.

Functional and Technical Learning: In FY 2021-22, the team partnered with reputed knowledge partners to offer Functional and Technical trainings. Employees of NSE participated in 49th National Convention of Company Secretaries and SHRM ALPHA BFSI Round Table. Training on the legal aspects of Capital market and Products was done for Surveillance and Investigation team.

The Legal Team did an Online Certificate Course on Intellectual Property (IPPro) offered by FICCI. Options

training was organised for Business Development team across job levels to get acquainted with the product.

Certification program on Data Science culminated in 3 segments viz i) Data Science for Consumers (data literacy), ii) Data Science for Business Users (core data concepts) and iii) Data Science for Technology (skills on coding) covering employees across functions. Advanced Excel, Java, Advanced Java and Spring networks upskilling was done for the relevant employees across job levels.

Behavioural Training: FY 2021-22, learning interventions were done through webinars for longitudinal programs covering 3 broad segments of the workforce viz Strategic, Tactical and Operational nature of roles. Strategic nature of roles were covered under Crucial Accountability and Crucial Conversation, Tactical nature of roles were covered under Managing Self and Teams, Customer Centricity & Strategic Thinking and Operational roles were covered through Managing relationships, Team work, Customer focused culture and Innovation and continuous improvement.

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 their 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 for 5 days was conducted for new joiners through a web-based platform.

High impact Project: -

In Learning and Development space, the organization embarked on digital transformation project of creating a 'learning-on-demand' infrastructure through identifying Learning Experience Platform (LXP) along with the content partners and MOOC content that suit the diverse learning needs for the exchange business. The team has created company related e-Learning modules that would be available on the LXP platform on go-live, enabling knowledge sharing and business know-how across the organisation.

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 actionables.

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:

A flagship Employee Recognition program was implemented in FY 2019-20 and the initiatives were continued in FY 2021-22 through online mode. Recognitions have been broadly classified in 2 categories - Individual and Team awards which are bestowed on the employee(s) on Quarterly / Biannual basis.

A state-of-the-art recreation facility has been created for employees offering employees options on health and fitness and recreation and sports. Various engagement options have been made available for employees and their families during the pandemic e.g. Online fitness workout sessions and Yoga Classes.

Employee Assistance Program and various engagement and learning initiatives are also held on a periodic basis to further enhance the employee engagement levels in the company.

3. Employee Relations:

Employee relations have been harmonious throughout the period under consideration.

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: We are giving the below details based on the POSH annual report filed by us for the Calendar year 2021:

Table 25:

1	Number of complaints of sexual harassment received in the year	NIL
2	Number of complaints disposed off during the year	Not Applicable
3	Number of cases pending for more than ninety days	Not Applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program for all employees was done
5	Nature of action taken by the employer	Not Applicable

NSE has complied with the provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

7.1 Directors and Key Managerial Personnel

As per the provisions of SECC Regulations, the Governing Board of every recognised stock exchange shall include (a) Public Interest Directors (PID); (b) Shareholder Directors; and (c) Managing Director.

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 Ms. Sunita Sharma [DIN: 02949529] and Mr. Veneet Nayar [DIN: 02007846] 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 September 20, 2021 approved the nomination of Mr. Veneet Nayar [DIN: 02007846] as a Shareholder Director of the Company and the same became effective from that date. Mr. Prakash Parthasarathy [DIN: 02011709] ceased to be a Shareholder Director w.e.f. August 25, 2021.

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, Ms. Sunita Sharma retires by rotation at the ensuing AGM.

The composition of the Board is in conformity with the Companies Act, 2013 and SECC Regulations, enjoining a specified combination of Executive, Non-Executive and Public Interest Directors with at least one Independent Woman Director. The Chairman of the Board is a Non-Executive

Director and is not related to the MD & CEO in conformity with SEBI Listing Regulations.

The Ministry of Corporate Affairs (MCA) has vide amendment to the Companies (Appointment and Qualification of Directors) Rules, 2014 mandated KYC of all the Directors through the e-form DIR-3 KYC. All Directors of NSE have complied with the aforesaid requirement.

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of your Company are Mr. Vikram Limaye, Managing Director & CEO, Mr. Yatrik Vin, Chief Financial Officer (Group CFO & Head Corporate Affairs) and Mr. Rohit Gupte, Company Secretary.

Pursuant to SECC Regulations, the Key Management Personnel of your Company as of March 31, 2022 are Mr. Vikram Limaye, Managing Director & CEO, 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. 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 Sindhvad – 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. Dinesh Soni – SVP – Regulatory, Mr. Hari K – Chief Business Officer, Ms. Nisha Subhash - SVP – Regulatory, Ms. Yukti Sharma, Head Listing Approvals, Ms. Renu Bhandari - Head Inspection, Mr. Arvind Goyal - Head – Trading Operations and Mr. Sampath Manickam, SVP- Technology & Operations, Mr. Mukesh Agarwal – Managing Director – NSE Data & Analytics Limited and NSE Indices Limited, Mr. Vikram Kothari – Managing Director – NSE Clearing Limited.

*Mr. N. Muralidaran - Managing Director & CEO retired w.e.f. August 05, 2021 and re-designated as Vice Chairman & Whole time Director (WTD) from August 06, 2021 till March 31, 2022.

Subsequent to the year under review, Mr. Viral Mody - Head Trading IT and IT for non-exchange for GIFT city, Mr. Deviprasad Singh - Head - IT Special Projects, Mr. Manjunath Kashi - Head - Cloud Infrastructure, Enterprise & Production Support - IT, Mr. Bireswar Chatterjee - Head Investigation, Ms. Sonali Karnik - Head Surveillance were designated as Key Management Personnel under SECC Regulations, 2018.

7.2 Board and Committees

Nine 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.

Committees

Your Company is required to constitute various Committees under SECC Regulations, 2018, Companies Act, 2013 and SEBI (LODR), 2015. Accordingly, in terms of SECC Regulations, 2018, Companies Act, 2013 and SEBI (LODR), 2015, the Committees have been appropriately constituted:

SEBI mandated Committees:

- a) Functional Committees:
 - i) Member and Core Settlement Guarantee Fund Committee (MCSGFC)
 - ii) Grievance Redressal Committee
 - iii) Nomination & Remuneration Committee
- b) Oversight committees:
 - i) Standing Committee on Technology
 - ii) Advisory Committee
 - iii) Regulatory Oversight Committee
 - iv) Risk Management Committee

In terms of the SEBI circular dated February 23, 2017:

- a. Investor Protection Fund Trust (IPFT)

In terms of the SEBI circular dated August 7, 2019:

- a. Product Advisory Committee

In terms of the SEBI circular dated November 13, 2020:

- a. Committee of PIDs for 2nd review of claims lodged by the claimants of the defaulter / expelled members

In terms of the Companies Act, 2013 and SEBI (LODR), 2015:

- a. Stakeholders Relationship Committee (SRC)
- b. Audit Committee
- c. Corporate Social Responsibility Committee (CSR)

7.3 Declaration by Independent Directors

As per SECC Regulations, SEBI has the powers to nominate a Public Interest Director (PID) on the Board of Exchanges. PID means an Independent Director, representing the interests of investors in the securities market and who does not have any association, directly or indirectly, which is in conflict with his/her role. PIDs have a fixed tenure and the approval of shareholders for their appointment is not necessary.

In terms of SECC Regulations, SEBI had nominated 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 in dependent judgement and without any external influence. The enrollment of all PIDs in the Databank being maintained by the Indian Institute of Corporate Affairs to qualify as an Independent Director has been completed and they have all furnished the declaration affirming their compliance with the relevant provisions of Companies (Appointment & Qualification of Directors) Rules along with the Declaration of Independence.

In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and are persons with integrity.

7.4 Company's policy on Directors' Appointment and Remuneration including Criteria for determining Qualifications, Positive Attributes, Independence of Directors

Pursuant to requirements of the Companies Act, 2013, NSE has framed a policy on the appointment of Directors and Senior Management personnel and a policy on Nomination and Remuneration of Directors and Key Management Persons identified under SECC Regulations and under the Companies Act, 2013. The Nomination and Remuneration Policy of NSE is attached as Annexure - 2 and the same is uploaded on NSE's website (weblink: https://archives.nseindia.com/global/content/investor_rel/Nomination_and_Appointment_of_Directors_and_Senior_Management.pdf and <https://static.nseindia.com/s3fs-public/inline-files/Remuneration%20Policy.pdf>).

7.5 Performance Evaluation of the Board, its Committees and Individual Directors (ID)

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and SEBI Guidance Note on Board evaluation issued on January 5, 2017 and SEBI circular of February 5, 2019 on Performance review of Public Interest Directors, the Board has carried out an annual evaluation of its own performance and that of its Committees and Individual Directors as of year ended March 31, 2022. 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, 2022 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. Veneet Nayar and Ms. Sunita Sharma.

The Performance evaluation criteria of the Board, its Committees, Individual Directors, the Chairperson and PID is attached herewith as Annexure-3 and is available on your Company's website www.nseindia.com.

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 05, 2022. 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 06, 2022.

7.6 Directors' Responsibility Statement

Your Directors confirm that -

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of NSE at the

end of the Financial Year i.e., March 31, 2022 and of the profits of NSE for that year;

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of NSE and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

8. CORPORATE SOCIAL RESPONSIBILITY

Section 135 of companies Act, 2013 is applicable to the Company. NSE along with its subsidiaries has formed NSE Foundation to initiate, supervise and co-ordinate activities to implement its group wide CSR obligation.

The obligation of NSE for FY 2021-22 was ₹ 35.86 Crs. which was transferred to NSE Foundation towards approved projects. During the year, NSE Foundation confirmed having spent the entire amount of ₹ 35.86 thus achieving 100% of spend out of its obligation

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-4.

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), Regulatory Operations and functions relating to the listing of companies and their compliance with prescribed requirements. There are 356 resources across these functions with various designations.

INSPECTION AND ENFORCEMENT

Inspection

As part of strengthening the regulatory framework of Exchange for ensuring supervision and oversight over the trading members, Exchange has taken number of steps, some of them are:-

- With an objective of early detection of misuse of client's assets, during the year, various large scale online systems such as client margin collection by members, availability of creditors funds with the members, running account settlement of clients (including inactive clients) across all Exchanges have been developed by Exchange to generate alerts. The Exchange has generated and processed more than 4,000 alerts to monitor the members under offsite supervision and more than 400 inspections have been conducted. Due to constant monitoring through online systems coupled with disciplinary actions, the number of alerts got reduced significantly over the year.
- For ease of monitoring and to mitigate risk of misuse of client money, the Exchange restricted members to keep client bank accounts with only banks designated as Clearing Banks by any of the Clearing Corporations or Banks approved by the Clearing Corporations for the purpose of issuance of collateral or payment banks licensed under Banking Regulation Act, 1949.
- Mystery shopping on the basis of news circulated in the market to identify assured return schemes run by members/individuals/entities was initiated. Upon gathering information/evidence of assured/fixed returns being offered by entities/individuals, the Exchange issued press release including notices in print media to caution investors to be away from various unregulated schemes/products, unregistered entities.
- Initiated review of Internal Audit quality during inspections and filed complaints against 11 auditors with ICAI and informed about 80 auditors to the Institute with a request to issue an advisory to their members to improve the quality of internal audit.
- Stricter monitoring policy has been implemented for the members where Exchange observes repeat material violations between two consecutive inspections.

Enforcement

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 the Exchange initiates are 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 Hon'ble Securities Appellate Tribunal.

The Enforcement Team has issued around 100 showcause notices and placed about 690 cases before the MCSGFC. The Committee has imposed a monetary penalty of approximately ₹ 7.55 Crs., ordered disablement of Trading Terminals in 12 cases and has in the interest of investors, also declared 7 Members as defaulters, thereby paving the way for initiation of the process for settlement of investor claims. The Exchange has also filed recovery suits in default cases as advised by the MCSGFC.

Expedited enforcement actions were taken in cases where Trading Members are found to be offering fixed/ assured returns to investors and/or misusing client assets. Disciplinary action was initiated against Trading Members for non-adherence to the Code of Advertisement prescribed by the Exchange. Enforcement has also disseminated the information on action taken against the Trading Members on the Exchange Website.

Regarding compulsory delisting of companies, the Exchange has delisted 10 companies that were suspended for more than 6 months for non-compliance with the erstwhile Listing Agreement/ SEBI (LODR) Regulations, 2015 and who did not complete formalities for revocation within stipulated timelines. Further, Exchange has delisted 8 companies that were suspended for more than 6 months pursuant to liquidation.

REGULATORY OPERATIONS

Operational activities were segregated and aligned across Regulatory into a separate Regulatory Operations function. This was set up with a strategic goal to integrate operational capabilities, cross-skill human capital, facilitate faster and effective delivery to Stakeholders-Investors-Regulator and fortify the exchange's risk posture.

The implementation was planned to be set-up in two phases and accordingly in the first phase; operational activities of four functions; namely Listing Compliance, Membership Compliance, Defaulter related services and Listing Approvals are in the process of being integrated under Regulatory Operations.

LISTING INVESTIGATION

Listing Investigation department handles trading / compliance data of listed entities, handles complaints related to fraud, diversion and siphoning or misappropriation of funds, etc.

A system has been developed as an early alert system by taking into account financial and non-financial constituents

and generating risk scores for each of the company for flagging key risk elements like window dressing, financial distress, group distress, fund diversion, damaging litigations, etc.

The team investigates internal alerts flagged off by the system as well as various complaints forwarded by the regulator.

During the past one year, Exchange has submitted 21 reports to SEBI where concerns were observed in the area of related party transactions, layering of funds, transactions with foreign subsidiaries and potentially connected entities.

LISTING COMPLIANCE

Development in NEAPS

- **XBRL submission of disclosure of Related Party Transactions under regulation 23 of SEBI LODR.**

Upto half-year ended March 31, 2021, related party transactions were being submitted by companies in PDF format. From half year ended September 30, 2021, companies were directed to submit the related party transactions in XBRL mode in the format suggested by SEBI. Changes were made in NEAPS to accept XBRL submissions towards related party transactions.

- **New menu for annual disclosure format applicable from the financial year 2022 as prescribed in Annexure B2 of SEBI circular dated November 26, 2018, on Fund raising by issuance of Debt Securities by Large Entities.**

From FY 2022, companies are required to submit annual disclosures in new format as the requirement of "mandatory incremental borrowing by a large corporate in a FY" will need to be met over a contiguous block of two years starting from FY 2022.

- **XBRL submission of financial results from REITs/InvITs**

Upto half year ended March 31, 2021, REITs/InvITs companies were submitting results in PDF format. From half year ended September 30, 2021, such companies are directed to submit the results in XBRL mode.

- **Launch of Alert – Debt Compliance Module**

To ensure timely compliance from the listed entities and to enhance the customer experience, NSE initiated a project which provides prior alerts to the Debt listed entities regarding the upcoming compliances. It covers both periodic and event-based compliances which are applicable to debt listed entities. An email is sent to companies on a timely basis reminding them to comply with the regulations on or before the due date. This project strengthens in maintaining the compliance status of the company and aids in reducing the non-complied cases.

A report on Corporate Governance for FY 2021-22 is furnished as part of the Annual Report as Annexure 6(i). The certificate

from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations is obtained. The Corporate Governance Report which forms part of Boards' Report, is prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018 ("SECC Regulations").

10. INTEGRATED REPORT

NSE has always taken steps in line with its core vision of being a leader in the industry. Guided by this thinking, your company has taken a paradigm shift from compliance-based reporting to governance-based reporting by the voluntary adoption of the Integrated Report (IR). The IR is focused on giving a holistic assessment on the integration of the Company's strategic objectives, risk and performance, both financial as well as non-financial, to demonstrate its commitment towards value creation for its shareholders. Your company intends to ensure that the content of the Integrated Report serves as a communication tool that clearly conveys the company's activities to create value for its shareholders in the long term.

The Integrated Reporting is robust and contains details such as the organisation's strategy and governance framework. The Integrated Report for the year 2021-22 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, 2022 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.

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>.

14.1 STATUTORY AUDITORS

M/s. Price Waterhouse & Co, Chartered Accountants, LLP, (ICAI Registration No.304026E/ E300009) were appointed as the Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 29th Annual General

Meeting, i.e., August 25, 2021 till the conclusion of 34th Annual General Meeting.

In continuation of its term of appointment, the said Audit Firm carried on the Statutory Audit of the Company for FY ended March 31, 2022.

The Statutory Auditors' Report for FY 2021-22 does not contain any qualification, reservation or adverse remarks.

14.2 SECRETARIAL AUDIT

The Board, on the recommendations of the Audit Committee, had appointed M/s. Makarand M. Joshi & Co., Company Secretaries, to conduct the Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for a period of 3 years, starting from FY 2021-22 till 2023-24.

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' have been duly complied with by your Company (kindly refer para 4.14.1).

14.3 COST AUDIT

The requirements relating to a disclosure as to the maintenance of cost records as specified by the Central Government under section 148 of the Companies Act, 2013 is not required to be made by the Company and accordingly such accounts and records are not made and maintained.

14.4 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 clean environment.

1) Green Power Generation:

i) Wind Power Plant:

NSE has commissioned the 6.25 MW (i.e. 5 nos. of 1.25 MW of Wind Mills) Wind Power Plant at Satara in Maharashtra in the year 2014. In Wind Power Plant, the Wind Electric Generator (WEG) converts the Kinetic Energy available in the Wind to Electrical Energy by using a Rotor, Gearbox and Generator. With regard to the operation of Wind Power Plant, it goes hand-in-hand with the Local Electricity Board. The Plant is connected to the Main Power Grid of the Local Electricity Board. As per renewable energy policy of Govt. of Maharashtra, the quantum of electricity generated through the Wind Power Plant is fed to the grid, which gets set off against the power consumption towards High Tension (HT) installation of the 'Wind farmer' (which in this case is NSE) anywhere in that grid. Accordingly, the aforesaid Wind Power Plant has generated 1,01,82,950 electricity units in the FY 2021-22.

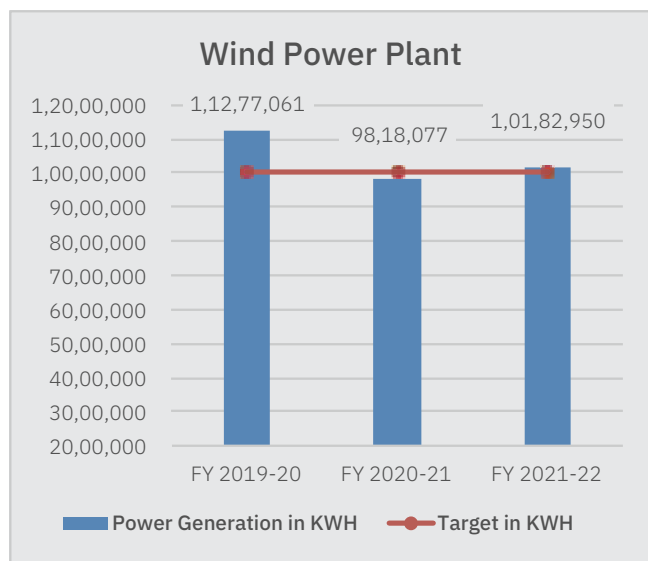
ii) Solar Power Plant:

The Solar Power Plant of the capacity of 10 KW has been installed in the building which harnesses the Solar Power to cater to part of the lighting load at Exchange Plaza. This way NSE has saved around 6,420 units in the FY 2021-22.

2. Energy Conservation:

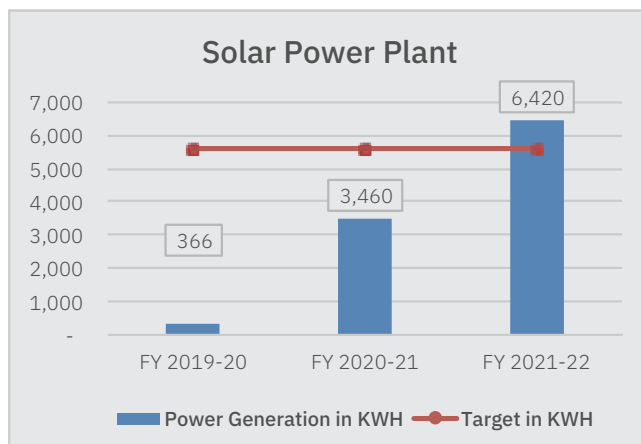
i) Lighting Transformer and LED Lights:

Lighting Transformers have been introduced in the lighting feeders to regulate incoming power supply which

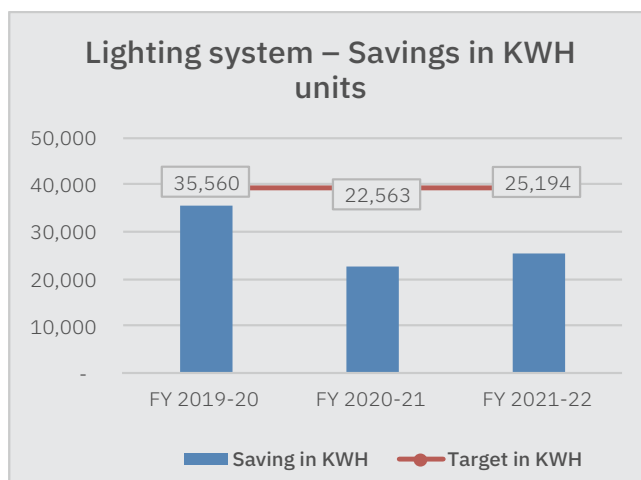


reduces excess power consumption and enhances the life of the luminaries. Additionally, LED Lights have been introduced across entire Office area. These measures have saved around 25,194 units in the FY 2021-22.

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 15,052 Demand KVA in the FY 2021-22.

iii) Occupancy Sensors:

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

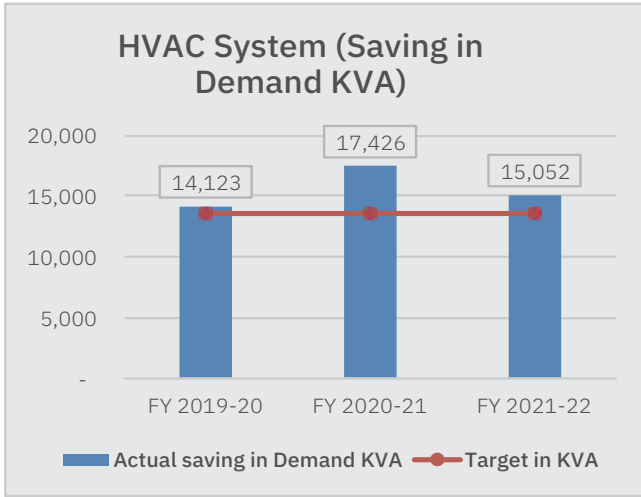
iv) Building Management System:

The Building Management System (BMS) had been installed at the inception stage itself to enable NSE to

Gardening purposes every day. This way NSE has saved around 19,595 Kilolitres of Water in the FY 2021-22.

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



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

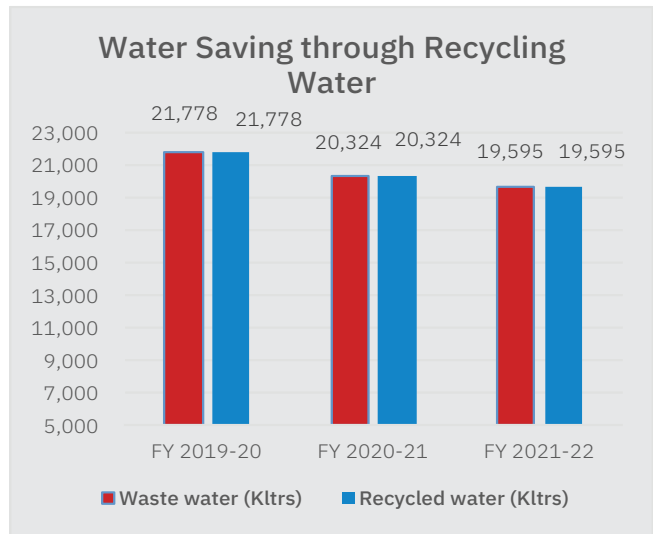
v) Automatic Power Factor Control Units:

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

3. Water Management:

i) Water Recycling - Sewerage Treatment Plant:

This plant has been installed at the inception stage itself to enable NSE to reuse building's domestic and flushing water (i.e. after treatment) for its Cooling Towers associated with Air-conditioning System and for

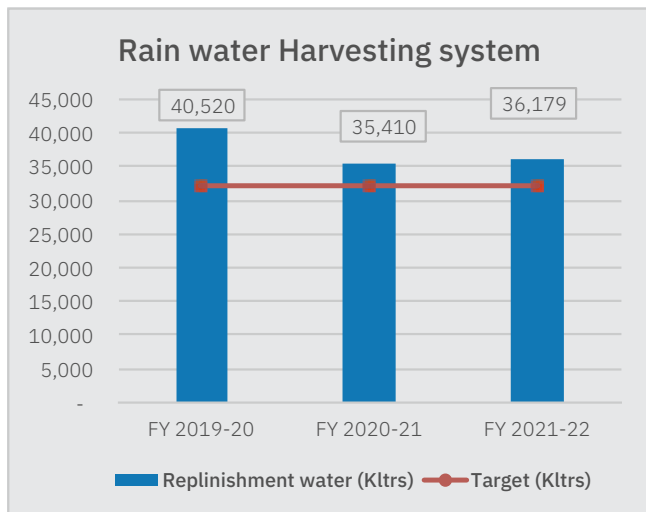


Plaza. Accordingly, post survey and feasibility, Rain Water Harvesting System has been installed. By using this System, water is percolated into the soil in the Exchange Plaza campus.

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 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 196 Kg of manure in the FY 2021-22.

Waste Disposal

The Company believes in reduce, recycle and reuse and manages its waste efficiently through various initiatives such as Vermiculture system, Sewage treatment plant. We reduce the E-waste and ensure that the E-waste generated is recycled efficiently.

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

Food Waste - Food waste generated at Company’s Exchange Plaza building is processed through Vermiculture System installed at its building wherein manure (i.e. Vermicompost) generated through it is used for Gardening Purpose.

Water Recycling - Sewage water generated at Exchange Plaza is recycled through Sewage Treatment Plant

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

Foreign Exchange earnings/outgo during the year under review

Foreign exchange earnings during the year was Nil and Foreign exchange outgo during the year was ₹ 55.81 Crs.

16. PARTICULARS OF EMPLOYEES

A Statement of Particulars of Employees covered under the provisions of Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as Annexure-7. The ratio of compensation paid to each key management personnel, vis-a-vis median of compensation paid to all employees of NSE is enclosed herewith as Annexure-8.

17. ACKNOWLEDGMENT

Your Directors are grateful for the support and co-operation extended by the Government of India, Securities and Exchange Board of India and Reserve Bank of India. Your Directors would also like to place on record their sincere appreciation of the support provided by the shareholders and also their deep appreciation of the contribution made by the employees at all levels to the continued growth of your Company. 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: June 06, 2022

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)

(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 06, 2022

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 (formerly known as National Securities Clearing Corporation Limited)	Subsidiary Company	Clearing and Settlement	100%
2	NSE Investments Limited (NSE Strategic Investment Corporation Ltd)	Subsidiary Company	Investment Entity	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	For the year ended 31.03.2022	For the year ended 31.03.2021
NSE Clearing Limited	Usage charges received	25.22	26.73
	Usage charges paid	1.66	1.66
	Space and Infrastructure usage charges received	5.37	5.48
	Recovery of Electronic Bidding Platform income	0.86	0.62
	Reimbursement received for expenses on staff on deputation	15.58	12.32
	Reimbursement received for other expenses incurred	58.20	46.29
	Reimbursement paid for CAMS charges	0.08	0.32
	Dividend received	45.00	90.00
	Clearing and Settlement charges paid	487.43	310.74
	Closing balance (Credit)/Debit	(34.43)	(20.71)

Name of the Related Party	Nature of Transactions	For the year ended 31.03.2022	For the year ended 31.03.2021
NSE Investments Limited	Space and Infrastructure usage charges received	0.11	0.11
	Reimbursement received for expenses on staff on deputation	1.84	1.33
	Reimbursement received for other expenses incurred	0.05	0.11
	Dividend Received	175.53	112.75

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
Chairman

DIN: 00110996

Date: May 06, 2022

ANNEXURE 2 TO BOARD'S REPORT

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Policy for Nomination and Appointment of Directors, KMPs and Senior Management

1. Introduction

National Stock Exchange of India Limited (hereinafter referred to as "NSE" or "the company") is governed by the Companies Act, 2013 and Rules notified thereunder, the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as "SCR (SECC) Regulations, 2018") including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges.

Pursuant to Section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SCR (SECC) Regulations, 2018, the Board of Directors of NSE is mandated to constitute a Nomination and Remuneration Committee which shall, amongst other things, formulate the criteria for determining qualifications, positive attributes and independence of a Director and criteria for identifying persons who may be appointed in senior management and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. Accordingly, NSE has constituted a Nomination and Remuneration Committee. This Policy lays down the broad guideline for nomination and appointment of Directors and Senior Management.

2. Objective

The objectives of this Policy are:

- a. The Company aims to achieve a balance of merit, experience and skills amongst its Directors and Senior Management.
- b. To institute processes that enables the identification of individuals who are qualified to become Directors and who may be appointed as Key Managerial Personnel / Key Management Personnel and/or in senior management. The NRC shall recommend to the Board of Directors the appointment of Directors, KMPs under the Companies Act and Senior Management Personnel and their removal. The appointment of KMPs under SECC Regulations shall be approved by the NRC.
- c. To formulate the criteria for identifying the persons who are qualified to become directors and such persons who

may be appointed as the Senior Management Personnel of the Company.

- d. To determine the composition of the Board of Directors.
- e. To determine the qualifications, positive attributes and independence of a director and
- f. To ensure Board Diversity and implementation of succession planning in the Company.

3. Definitions

- i. "Policy" means this "Nomination Policy."
- ii. "Nomination and Remuneration Committee" or "the Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.
- iii. "Board of Directors" or "Board" shall mean the collective body of directors of NSE.
- iv. "Director" means a director appointed to the Board of NSE.
- v. "Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and listing Regulations.
- vi. "Public Interest Director" means an independent director as defined under SCR (SECC) Regulations, 2018.
- vii. "Shareholder Director" means a non-executive director as defined under SCR (SECC) Regulations, 2018.
- viii. "Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation – For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of

the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

- ix. “Key Managerial Personnel / Key Management Persons” means as defined under Section 2(51) of the Companies Act, 2013 and/or as per Regulation 2 of SCR (SECC), Regulation, 2018.
- x. The term “Senior Management” means officers / personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/ manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer. This will include the KMP’s under the Companies Act, 2013 and those identified by the NRC from time to time.
- xi. “Whole-time director” includes a director in the whole-time employment of the company;

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, Listing Regulations and SCR (SECC) Regulations 2018 or other relevant provisions as may be applicable.

4. Interpretation:

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy.

5. Parameters for recommending a candidate for appointment as Director

When recommending a candidate for appointment as Director, the Committee will have regard to the following qualifications and positive attributes:

- i. the appointee should satisfy the ‘fit & proper criteria’ as stipulated under SCR (SECC) Regulations, 2018 (refer Annexure A) and other requirements as prescribed by SEBI from time to time.
- ii. assessing the appointee against a range of criteria which includes, but not be limited to, qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;

- iii. the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company; in case of Senior Management their contribution towards the effectiveness of the organization as a whole would be considered;
- iv. the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee’s ability to exercise independent judgment;
- v. the ability of the appointee to represent the company;
- vi. ability to work individually as well as a member of the Board and with the senior management;
- vii. influential communicator with power to convince others in a positive way;
- viii. ability to participate actively in deliberation and group processes;
- ix. have strategic thinking and facilitation skills;
- x. act impartially keeping in mind the interest of the company on a priority basis;
- xi. Personal specifications:
 - Educational qualification;
 - Experience of management in a diverse organization;
 - Interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- xii. Enrollment of name in the Databank for the position of Independent Director / PID, being maintained by the Indian Institute of Corporate Affairs at Manesar to qualify as an Independent Director.
- xiii. While evaluating the candidature of an Independent Director, the Committee shall review the criteria for determining Independence as stipulated under the Companies Act 2013, Listing Regulations and other applicable regulations or guidelines.
- xiv. The Committee takes a broad perspective with respect to Independence and takes into consideration not

only the dealings, transactions, relationships with the concerned Individual Director but also with relatives, entities and organizations affiliated with it.

- xv. The Committee, along with the Board, regularly reviews the skill, characteristics required from the Board & Individual Directors. One of the prime objectives of this exercise is to identify competency gaps in the Board and make suitable recommendations. The objective is to have a board of diverse background and experience in business, technology, governance and areas that are relevant for NSE.
- xvi. Besides considering all other qualifications with regards to talent, relevant professional experience, proven track record of performance and achievement, ethics and integrity, ability to bring in fresh and independent perspectives, sector specific experience and expertise, the Committee objectively evaluates whether an individual can dispassionately discharge the statutory functions of a Director as enshrined in the Companies Act 2013, SCR (SECC) Regulations, 2018 and Listing Regulations.

With respect to the selection of the Managing Director & CEO, the Management shall ensure that no applicant is invited for an interview for the post of Managing Director & CEO unless the applicant has obtained necessary clearance / No objection certificate from the requisite authorities, wherever required, in view of SEBI letter dated September 7, 2021 regarding the policy for the appointment of the Managing Director of MIIs.

6. Guiding factors to be considered while appointing PIDs

- a. Qualification in the area of law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets
- b. Atleast one person shall be inducted having experience and background in finance/ accounts who may preferably be inducted in the audit committee
- c. Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions
- d. Persons who are likely to have interested positions in commercial contracts and affairs of stock exchanges, may preferably be excluded. Persons who are regular speculators in the market or are a director in the board of the Promoter entity of the Stock Exchange or Clearing Corporation, shall be excluded.

7. Composition of the Board

The Board of NSE shall include:

- a. Shareholders Directors
- b. Public interest Directors; and,
- c. Managing Director.

Besides taking into account provisions as specified in the Articles of Association, applicable provisions contained in the Companies Act and Rules made thereunder and Listing Regulations, the Committee shall also take into account the following while deciding the composition of the Board and its size: -

- The number of public interest directors shall not be lesser than the number of shareholder directors.
- The managing director shall be included in the category of shareholder directors.
- The Managing Director of the Company shall not
 - a) be a shareholder or an associate of a shareholder of a recognised stock exchange or recognised clearing corporation or shareholder of an associate of a recognised stock exchange or recognised clearing corporation, as the case may be
 - b) be a trading member or a clearing member, or his associate and agent, or shareholder of a trading member or clearing member or shareholder of an associate and agent of a trading member or a clearing member;
- Any employee of a recognised stock exchange or recognised clearing corporation may be appointed on the governing board in addition to the managing director and such director shall be deemed to be a shareholder director.
- Chairperson shall be elected by the Governing Board from amongst the Public interest Directors and shall be subject to the prior approval of SEBI.
- No trading member or clearing member, or their associates and agents, shall be on the Board. The exceptions / exemptions in this regard shall be as stipulated in the SCR SECC Regulations, 2018, from time to time.
- No foreign portfolio investor shall have any representation in the Board.
- The Public Interest Director shall be eligible to become a shareholder director only after a cooling-off period of 3 years after ceasing to be a Public Interest Director.

8. Term/Tenure

a. Managing Director/Whole-time Director

- i. The Company shall appoint or re-appoint any person as its Managing Director for a term not exceeding 5 (five) years at a time. The Managing Director may be appointed for a maximum of two terms not exceeding five years each, subject to an age limit of sixty-five years.
- ii. No re-appointment shall be made earlier than 1 (one) year before the expiry of the term.
- iii. The appointment and tenure of the Managing Director would be governed by the applicable provisions of the Companies Act, 2013 and SECC Regulations, as may be mandated by SEBI from time to time.

b. Public Interest Director

- i. A Public Interest Director shall be nominated for a fixed term of 3 (three) years on the Board and for such extended period as may be approved by SEBI, subject to performance evaluation as provided in the Board Evaluation Policy and subject to the maximum age limit of seventy-five years.
- ii. At the time of appointment of the Public Interest Director, it shall be ensured that number of boards on which such Public Interest Director shall serve is restricted to 7 (seven) listed companies as a Public Interest Director.
- iii. The appointment and tenure of the Public Interest Director would be governed by the applicable provisions of the Companies Act, 2013 and as may be mandated by SEBI from time to time.
- iv. Shareholders' approval shall not be necessary for the appointment of PID.

c. Shareholder Director

- i. The appointment and tenure of the Shareholder Director would be governed by the applicable provisions of the Companies Act and as may be mandated by SEBI from time to time. The tenure of Shareholder Director shall be liable to retire by rotation.
- ii. The appointment of a Shareholder Director who has attained the age of 75 years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

9. Evaluation

The NRC shall by itself or through the Board or an independent external agency as prescribed in the Board Evaluation Policy, evaluate the performance of the Board/Committee(s), Individual Directors and Chairman at a regular interval (yearly) and review implementation and compliance.

10. Board Diversity

The Board shall consist of such number of Directors, including at least one Woman Independent Director, as is necessary to effectively manage the Company of its size. The Board shall have an appropriate combination of executive and Non-Executive Directors. The Committee will lead the process for Board appointments. All Board appointments will be based on meritocracy in the context of the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. NSE believes that increased diversity in the Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

11. Familiarization Program for Directors

The Company shall provide an orientation to new Directors and continuing education/training to all its Directors and shall periodically provide materials or briefing sessions for all Directors on subjects that would assist them in discharging their duties. Each new Director shall spend reasonable time for briefings by senior management on the Company's operations, its material subsidiaries, strategic plans, its financial statements, its key policies and practices and other details as may be desired by the Director. The Company shall provide at least seven days of training to every public interest director each year.

12. Criteria for appointment of KMPs and Senior Management

The following attributes shall be taken into consideration for selecting suitable candidates for appointment as senior management:

- i. The KMPs and Senior Management should satisfy the "Fit and Proper Person" criteria as prescribed by SCR (SECC) Regulations, 2018 (Refer Annexure A);
- ii. Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other qualities as may be required to operate successfully in the position;
- iii. Contribution towards the effectiveness of the organisation as a whole;

- iv. the ability of the appointee to represent the company;
- v. ability to work individually as well as part of the team of senior management;
- vi. influential communicator with power to convince other in a positive way;
- vii. ability to participate actively in deliberation and group processes;
- viii. have strategic thinking and facilitation skills;
- ix. act impartially keeping in mind the interest of the company on a priority basis;
- x. Profile shall include:
 - Educational qualification;
 - Experience of management in a diverse organization;
 - Interpersonal, communication and representational skills;
 - Demonstrable leadership skills;
 - Commitment to high standards of ethics, personal integrity and probity;
 - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace.

The Management from time to time shall identify the level, designation and names of Key Management/Managerial Persons under SCR (SECC) Regulations, 2018 & Companies Act and / or persons who forms part of Senior Management and recommend the same to Nomination & Remuneration Committee for its approval. The Managing Director is empowered to identify the candidates in the Senior Management in terms of the criteria prescribed herein and recommend their appointment to the Committee.

13. Guidelines for appointment of KMPs

- a) Appointment of MD & CEO does not fall under the scope of this process and will be governed by the SEBI defined process for the same.
- b) The NRC upon the recommendations of the MD & CEO

and Group Head Human Resources shall periodically review and consider the list of Key Managerial Personnel segmented under

- (i) due for retirement (within 1 year)
 - (ii) organization readiness to mitigate risks on account of attrition, capability gaps and performance of the role holder.
 - (iii) The NRC shall also consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/Regional Office(s).
- c) The MD & CEO and Group Head HR would be responsible to identify roles, designations & levels to be considered as KMP and recommend to the NRC for review and approval.

14. Succession Planning

The Committee shall review, approve and aid the Board in succession and emergency preparedness plan for key executives as may be identified from time to time. The abovementioned criteria may be applied for such identification and evaluation.

15. Amendment

Any amendment or modification in the Companies Act, 2013, SCRA, 1956, SCR (SECC) Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which include Listing Regulations) and any other applicable provision relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.

16. Disclosure

This policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and Listing Regulations and the salient features of the policy, if any, shall be disclosed in the Board's report.

17. Review of the policy

This Policy shall be reviewed once a year to ensure that it meets the regulatory requirements or latest industry practice or both and the changes shall be placed in the NRC and the Board.

ANNEXURE A

Fit and proper criteria under SECC Regulations

A person shall be deemed to be a fit and proper person if:

- (A) such person has a general reputation and record of fairness and integrity, including but not limited to:
- i. financial integrity;
 - ii. good reputation and character; and
 - iii. honesty;
- (B) such person has not incurred any of the following disqualifications:
- i. the person, or any of its whole-time directors or managing partners, has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against the securities laws;
 - ii. an order for winding up has been passed against the person;
 - iii. the person, or any of its whole-time directors or managing partners, has been declared insolvent and has not been discharged;
 - iv. an order, restraining, prohibiting or debarring the person, or any of its whole time directors or managing partners, from dealing in securities or from accessing the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the expiry of the period specified in the order has not elapsed;
 - v. any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the order has not elapsed;
 - vi. the Board has initiated recovery proceedings under the SEBI Act, 1992 and are pending;
 - vii. the person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force;
 - viii. the person is financially not sound or has been categorised as a wilful defaulter; and
 - ix. any other disqualification as specified by SEBI.
- (c) If any question arises as to whether a person is a fit and proper person, the Board's (i.e. SEBI's) decision on such question shall be final.

ANNEXURE 2 TO BOARD'S REPORT NATIONAL STOCK EXCHANGE OF INDIA LIMITED Remuneration Policy

1. Introduction

National Stock Exchange of India Limited (hereinafter referred to as “NSE” or “the company”) is governed by the Companies Act, 2013 and rules notified thereunder: the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as “SCR (SECC) Regulations, 2018”) including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges. Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) prescribe that the Nomination and Remuneration Committee shall recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees. Regulation 27 of the SCR (SECC) Regulations, 2018 mandates that the Compensation Policy for the Key Management Personnel of Stock Exchange shall be in accordance with the norms specified by SEBI.

2. Definitions

- i. **“Policy”** means this Remuneration Policy.
- ii. **“Nomination and Remuneration Committee”** or **“Committee”** shall mean a Committee of Board of NSE, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, Listing Regulations and Regulation 27 of SCR (SECC) Regulations, 2018.
- iii. **“Board of Directors”** or **“Board”** shall mean the collective body of directors of NSE;
- iv. **“Director”** means a director appointed on the Board of NSE;
- v. **“Public Interest Director”** means an Independent Director, representing the interests of investors in the securities market and who is not having any association, directly or indirectly, which in the opinion of the Securities and Exchange Board of India (“SEBI”), is in conflict with his role;
- vi. **“Independent Director”** shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Listing Regulations.
- vii. **“Managing Director”** means a director who, by virtue of the articles of a company or an agreement with the

company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation: For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management.

- viii. **“Whole-time director”** includes a director in the whole-time employment of the company.
- ix. **“Key Managerial Personnel (KMP)”**
 - A. **Under Companies Act, 2013 means**
 - a. Managing Director or Chief Executive Officer (“CEO”) or Manager;
 - b. Company Secretary,
 - c. Whole-time Director;
 - d. Chief Financial Officer; and
 - e. Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - f. such other officer as may be prescribed.
 - B. **Under SCR (SECC) Regulations, 2018:**
Key Management Personnel includes a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of the department(s) in the recognised stock exchange or the recognised clearing corporation, or any person who directly reports to chief executive officer or to the director on the governing board of the recognised stock exchange or recognised clearing corporation, or any person upto two levels below the chief executive officer or managing director, or any other person as may be identified by its Nomination and Remuneration Committee.

- x. **“Senior Management”** under Companies Act means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. “Senior Management” under SEBI (Listing Obligations and Disclosure Requirements), 2015 mean officers / personnel of the Exchange who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer. It may include such persons identified by the NRC / Board from time to time in terms of the Companies Act, 2013 and Listing Regulations.
- xi. **“Other Employees”** means any person (other than KMPs under the Companies Act and SECC Regulations and Senior Management Personnel) employed to work full time on the payrolls of the Company.

Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules, listing regulations and SCR (SECC) Regulations, 2018 or other relevant provisions; as may be applicable.

3. Interpretation

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provision of this Policy.

4. Objectives

The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

The objectives of this policy are:

- a. To lay down a policy for payment of remuneration to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;
- b. To assist the Board on the determination of remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees of NSE;
- c. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- d. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- e. To ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

5. Remuneration of Directors, KMP and Senior Management:

- i. The remuneration / compensation / , etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation, etc. shall be subject to the approval of the shareholders of the Company and SEBI, wherever required. It shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. The requirements, if any, prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to Directors, KMP and Senior Management.
- ii. The remuneration / compensation to be paid to the KMP shall be approved by the Committee. For KMP’s under Companies Act, 2013, it shall be as per the statutory provisions of the Companies Act, 2013 read with the rules made thereunder for the time being in force. For KMP’s under SCR (SECC) Regulations, 2018, the requirements prescribed by SEBI from time to time in this regard shall be followed while determining the compensation payable to them which shall be determined by the Committee. For those Senior Management, the compensation payable shall be recommended by the Committee to the Board for its approval.
- iii. The Committee shall lay down the remuneration policy of the Company from time to time in accordance with market practice and the Company philosophy subject to SEBI norms, as may be applicable.
- iv. The annual compensation shall consist of a fixed component and a variable component. The variable component shall not exceed one third of the total pay in respect of KMPs under SCR (SECC) Regulations, 2018. This shall however not be applicable to the other employees.
- v. The Group Head HR will obtain compensation approval from the MD & CEO and the NRC before extending the final offer to the selected candidate.

- vi. 50% of the variable pay in respect of the KMPs in respect of each financial year shall be paid to the KMP concerned on completion of 3 years from the last date of the respective financial year, which will be kept invested in fixed deposits till final payment, if any and paid to the employee concerned with accrued interest if and when the final payment is made. However, as a malus arrangement, the said amount or any part thereof along with accrued interest as per fixed deposit rate for the applicable period in respect of a financial year may be prevented from being paid by the NRC, after providing an opportunity of being heard to the concerned KMP, in case of fraud, misfeasance, misappropriation or excessive risk taking by the concerned KMP intentionally causing financial loss to the company.
- vii. The KMPs are also covered under a claw back arrangement under which the NRC may require a KMP to return previously paid in full or vested remuneration partially or fully including the interest earned (if any), after providing an opportunity of being heard to the concerned KMP, under the following circumstances namely fraud, misfeasance, misappropriation and intentionally causing financial loss to the company. The claw back is exercisable within a period of three years from the end of the financial year in which the remuneration was paid or vested. The claw back is not exercisable in respect of retiral benefits accrued to KMPs.
- viii. ESOPs and other equity linked instruments shall not be offered or provided as part of the compensation for the Key Management Personnel in terms of SCR (SECC) Regulations, 2018.
- ix. The following factors shall be considered while fixing compensation package for the KMPs
 - a. Role and responsibilities,
 - b. Performance, potential, qualification, experience, expertise,
 - c. Market benchmark / comparable to the industry standards,
 - d. Size and complexities of operation,
 - e. Financial condition and health of the Company - revenues, net profit,
 - f. Average levels of compensation payable to employees in similar ranks,
 - g. periodic review, etc.
- x. Incentive to take excessive risks over the short term shall be discouraged.
- xi. The Managing Director & CEO and Group Head - Human Resources will be responsible for execution of the compensation strategy, practices and plan (covering both fixed pay and variable pay) for the other Employees in line with the compensation policy

6. Remuneration criteria for Managing Director & CEO

The remuneration / compensation, if any, etc. of the Managing Director & CEO shall be subject to the approval of the NRC, Board and Shareholders of the Company, wherever required, under applicable laws.

7. Remuneration criteria for Independent Directors/ Public Interest Directors / Non- Executive Directors

The Independent Directors/ Public Interest Directors / Non- Executive Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof. The reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.

8. Amendment

Any amendment or modification in the Companies Act, 2013, SCR (SECC) Regulations, 2018, Rules, Regulations and directives issued under the respective statutes (which include Listing Regulations) and any other applicable provision relating to the remuneration / compensation / commission, etc. shall automatically be applicable to this Policy.

9. Disclosure

This policy shall be placed on the Company's website in accordance with provisions of the Companies Act, 2013 and Listing Regulations and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

10. Review of the policy

This Policy shall be reviewed once a year to ensure that it meets the regulatory requirements or latest industry practice or both. The changes made to the Policy shall be placed before the NRC and the Board for approval.

ANNEXURE 3 TO BOARD'S REPORT

PERFORMANCE EVALUATION CRITERIA

Criteria for performance evaluation of the Board, its Committees, Individual Directors, the Chairperson and PIDs

I. Guiding principles for performance evaluation of the Board

A. Governance related

- Corporate Governance standards adopted by the Board such as board composition, board diversity etc. and its implementation
- Understanding roles and responsibilities of Directors
- Code of conduct and Ethics and adherence thereto
- Independence of Board functioning
- Commitment to highest ethical standards of integrity and probity.
- Implementation and periodic review of policies and procedures for risk management, financial controls and statutory / regulatory compliance.
- Number and adequacy of meetings, discussion on strategic matters having substantial effect on the functioning of the Company.
- Accountability for decisions taken.
- Stakeholder relationship management.
- Adequacy on flow of information to the Board.

B. Business related

- Understanding of the objectives, values, vision and business of the Company
- Provision of entrepreneurial leadership
- Setting up of Company's strategic aims and financial goals
- Guidance to drive financial and business performance of the Company and periodic review of the same
- Ensuring necessary financial and human resource support to achieve Company's objectives
- Strategic and business risk evaluation, assessment and timely action.

C. Others

- Board processes for ensuring optimum size, composition, diversity and delegation of authority

- Adequate reporting mechanism to stakeholders and redressal of their grievances.
- Engagement with the executive management (formal or informal) on issues/concerns having effect on the Company's functioning.

II. Guiding principles for performance evaluation of Committees

In addition to the principles stated above for evaluation of Board to the extent applicable to the respective committee, following may be taken into consideration for performance evaluation of Committees:

- Constructive recommendations made by the Committee(s) to the Board may also be kept in mind
- Engagement with executive management (formal or informal) on information required by the Committee to effectively discharge its statutory responsibilities.

III. Guiding principles for performance evaluation of individual Directors

The individual director's performance may be largely evaluated based on his/her level of participation and contribution to the performance of Board/Committee(s) in respect of the above areas.

- Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in independent and objective manner.
- Understanding of objectives, values, vision and business of the Company.
- Level of participation and devotion of time to Board meetings and Committee meetings, if any.
- Skills, knowledge, experience, application of subject matter expertise.
- Adherence to Code of Conduct and Code of Ethics of the Company.
- Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement.

- Engagement with executive management for efficient discharge of responsibilities.

III A - Managing Director and Chief Executive Officer:

- Long-term vision for the Company and business acumen.
- Entrepreneurial leadership to the Company and its business segments and setting up of strategic vision.
- Clear understanding of Company's business, industry dynamics, competitive trends including global trends and inherent business and operational risks.
- Willingness to experiment and adopt innovative strategies for changing the Company's business landscape.
- Execution of policies and procedures put in place by the Board.

IV. Guiding principles for performance evaluation of Chairperson

In addition to the above, the following principles may be kept in mind while evaluating the performance of the Chairman:

- Efficient leadership qualities and determination of delivery of the Company's strategy.
- Ensuring adequate flow of information to all Directors on any issue where a decision is required.
- Enhancing of Company's image in dealings with major stakeholders.
- In-depth knowledge of the industry and business.
- Enjoys trust and confidence of Board members.
- Ensuring that every Board member has an opportunity to be heard and to present his/her views without any constraint.
- Encouragement to Independent Directors to bring diverse perspectives on the table.
- Ensuring that Directors are fully informed as possible on any issue where decision is required.

V. Guiding principles for performance evaluation of the PID's

- Qualifications:** The PID's qualification in area of law, finance, accounting, economics, management, administration or another area relevant to the financial markets, including any recent updates in this regard.
- Experience:** The PID's prior experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets, including any recent updates in this regard.

c. Knowledge and Competency:

- Whether the PID has sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.
- Whether the PID has sufficient understanding of the role, responsibilities and obligations of PID under the relevant regulatory norms.
- How the PID fares across different competencies as identified for effective functioning of Board of the concerned MII.
- Whether the PID has sufficient understanding of the risk attached with the business structure.

d. Fulfilment of functions:

- Whether the PID understands and fulfils the functions as assigned to him/her by the Board and the regulatory norms.
- Whether the PID gives views and opinion on various regulatory matters when comments are invited by SEBI through various means.

e. Ability to function as a team:

- Whether the PID is able to function as an effective team-member.
- Whether the PID listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.
- Whether the PID shares good interpersonal relationship with other directors.

f. Initiative:

- Whether the PID actively takes initiative with respect to various areas.
- Whether the PID insists on receiving information necessary for decision making.
- Whether the concerned PID keeps himself well informed about the functioning of MII and the external environment in which it operates.
- Whether the PID remains updated in terms of developments taking place in regulatory areas.
- Whether the PID has identified any important issues concerning any matter which may involve conflict of interest for the concerned MII, or may have significant impact on their functioning, or may not be in the interest of securities market, and whether the PID reported same to SEBI.

- Whether the PID appropriately deals with critical matters.

g. Availability and attendance:

Whether the PID is available for meetings of the Board and attends the meeting of Governing board and Committees regularly and timely, without delay. It must be ensured that the concerned PID hasn't remained absent for three consecutive meetings of the governing board and has attended seventy five per cent of the total meetings of the governing board in each calendar year; failing which the PID shall be liable to vacate office.

h. Commitment: Whether the PID is adequately committed to the Board and the MII.

i. Contribution:

- Whether the PID has contributed effectively to the entity and in the Board meetings.
- Whether the PID participates in the proceedings of Board meetings keeping in mind the interests of various stakeholders.
- Whether the PID actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.

j. Integrity:

- Whether the PID demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
- Whether the PID strictly adhere to the provisions of the SEBI SECC Regulations, 2018 and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.

- Whether disclosures such as dealing in securities and other regulatory disclosures are provided by the PID on timely basis.

- Confirmation on the PID being a Fit & Proper person.

- Confirmation that the PID doesn't disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of directors or required under the applicable laws.

k. Independence:

- Whether the PID is independent from the entity and the other directors and there is no conflict of interest.
- Confirmation as to non-association of the PID with relevant MII and its member.
- Whether the PID keeps regulators informed of material developments in the concerned MIIs functioning, from time to time.

l. Independent views and judgment:

- Whether the PID exercises his/ her own judgment and voices opinion freely.
- Whether the PID's participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.
- Whether the PID raises his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.
- Whether the PID is committed to ensure that there is fairness and integrity in MIIs system, in letter as well as spirit.

While carrying out performance evaluation as above, the Board may take into account the inputs received, if any, from the review by Independent Directors.

ANNEXURE 4 TO BOARD'S REPORT

ANNUAL REPORT OF THE CSR ACTIVITIES FOR FY 2021-22

NSE Group understands that the economic and social well-being of the community is closely interlinked to their habitats and the environment. NSE Group therefore strives to integrate triangulated focus to improve the quality of life of its identified beneficiaries towards creating inclusive societies, while meeting its social, economic and environmental responsibilities. CSR activities is one way in which the NSE Group reaches the triple-disadvantaged sections of society, which is undertaken through the NSE Foundation.

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on March 05, 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group Companies as mandated under the Companies Act, 2013. Based on the Schedule VI in Section 135 of the Companies Act 2013, NSE Group has currently identified eight CSR areas as issues of concern to be addressed in the developmental landscape in India to be undertaken through NSE Foundation, a Section- 8 Company. They are i) Primary Education, ii) Elder Care, iii) Safe Drinking Water & Sanitation, iv) Health & Nutrition v) Environment Sustainability, vi) Skill Development & Entrepreneurship, vii) Funding of incubators in academic institutions and other agencies and Disaster Relief and Rehabilitation.

The NSE Group CSR programmes seek to impact the most disadvantaged sections of the community by undertaking long term impactful programmes with a strong emphasis on the behaviour change activities which are embedded in the programme design. The key change indicators in every programme strive to align with the nation's social development goals and the larger global sustainable development goals.

In addition to the focal areas of social intervention, a number of CSR activities such as environmental awareness, nature trails, blood donation camps, visits to the project sites etc. which engage and motivate employees to be socially responsible are undertaken by the CSR Society Focus Group of NSE Group.

1. A brief summary of the projects is given in the table below:

Description	Counts
No. of states where programmes are undertaken	19
No. of districts	537
No. of projects	67
No. of beneficiaries directly impacted by the programmes	12,10,000+
Local partners	49
Focus sectors	8

2. Composition of CSR Committee:

Sr. No	Name of Director	Designation / Nature of Directorship	Number of Meeting of CSR Committee held during the year#	Number of Meeting of CSR Committee attended during the year
1	Mr. Veneet Nayar*	Chairman, Independent Director	2	2
2	Prof. S. Sudarshan	Independent Director	3	3
3	Mr. Vikram Limaye	Managing Director	3	3
4	Mr. Prakash Parthasarathy**	Independent Director	1	1

*Inducted as a Member w.e.f October 14, 2021

Number of Meetings held during the tenure of Director.

** Ceased to be a Member w.e.f August 25, 2021

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://www.nseindia.com/structure-and-key-personnel/committees-under-regulation>

https://www1.nseindia.com/global/content/about_us/NSE_CSR_Policy.pdf

https://static.nseindia.com//s3fs-public/inline-files/Projects_approved_by_the_Board_of_Directors_of_National_Stock_Exchange_of_India_Limited_%28NSEIL%29_for_the_FY_2022-23_0.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.

https://archives.nseindia.com/global/content/investor_rel/NSE%20Foundation_AIILSG_Impact%20Assessment.pdf

Third party impact assessments were undertaken for the concluded projects of NSE Group CSR. The programmes which underwent assessment have catered to the most marginalised communities and tribal populations in various parts of the country. The projects belong to the focus areas of Primary Education (5), Safe Drinking Water & Sanitation (1), Disaster Relief & Rehabilitation (5) and Elder Care (1).

The impact assessments were conducted amidst the restrictions imposed due to Covid-19 pandemic, thus various challenges such as school closures, fear of external individuals among communities, operations and maintenance issues of retrofitted infrastructure and delays were observed by the third-party agencies. However, studies were completed and the findings of the same are summarised below:

Primary Education

1. Serving & Enriching Primary Education to the Underprivileged Urban Children in Bhiwandi & Malegaon, Maharashtra

This primary education programme was undertaken in the municipal corporation limits of Bhiwandi and Malegaon in the state of Maharashtra. The program was implemented for a duration of three years (Sept 2017- Aug 2020). Fifteen (15) Shikshan Ranjan Kendras (community learning centres) were set up; eight (8) in Bhiwandi and seven (7) in Malegaon with 1,637 students enrolled in them to improve access to quality education and create a conducive learning environment for children. The key findings of the third-party impact assessment agency are given below:

- The program was effective in ensuring that quality primary education reached the targeted beneficiaries who are economically disadvantaged children from both minority and non-minority communities with focus on girl children. Of the 1,637 enrolled students, 50% of the students were girls at the end of the third year of the programme, which demonstrates a significant mindset shift amongst parents to educate girl children post the intervention.
- The foundational learning of the children in language and arithmetic reported an improvement from the baseline results. ASER assessment scores depicted an overall improvement in linguistic abilities of the students. 45% students enrolled in the program could read either a para or a story post the intervention as opposed to an average of 13% pre intervention.
- The program set up six libraries - three each in Bhiwandi & Malegaon with over 500 reading sessions

to facilitate its reading initiative. Majority of the student respondents (78%) reported reading at least one or two books in a month. More than 80% of the surveyed parents also reported that their children participated in the reading sessions at least once a week.

- Shikshan Mitras (SMs) conducted regular home visits and counselled the parents on the importance of education. 86% parent respondents had been contacted by the SMs through home visits to enroll their children at the community learning centres.
- Shikshan Mitras & teachers stated that after the commencement of the program, dropout rates had come down & children were more regular in attending schools and SRKs.
- 87% of parents responded positively to have attended hygiene and health sessions which were part of the programme.

2. Learning Orbit for Village Excellence (LOVE) in Kotra and Gogunda, Udaipur

The programme was implemented in 30 government schools of tribal dominated Kotra and Gogunda blocks of Udaipur District in Rajasthan. The region faces low literacy rates and school dropout is a major issue. In this background, holistic learning opportunities were created for the children through two key interventions: Cluster Excellence Learning Lab (CELL) and Learning Festivals. CELL offered weekly learning opportunities for students across various domains. Learning festivals in schools and the community offered children an opportunity to investigate, play and build an understanding of various performing arts in studios of music, art and craft, dance, puppetry and theatre. The key findings of the third-party impact assessment agency are given below:

- Majority (93%) of the students reported that they liked attending their schools. Surveyed students mentioned that they really enjoyed the sports activities (40%), participating in learning festivals (76%), classroom learning through the community fellows (73%) and extracurricular activities (40%) under the program.
- 85% of the surveyed students believed that attending the program and learning from community fellows in classrooms, community and learning festivals enhanced their learning. Surveyed students reported enhanced understanding in key focus areas of the programme, i.e., Hindi (76%), Arithmetic (55%) and Sports (64%) and attributed the same to the learning opportunities created under the program.

- 94% of the surveyed teachers reported that the intervention had helped upskill their pedagogy skills. 80% of the surveyed teachers reported that various activities promoted under the program had helped them in creating a better learning environment for the students. 74% of the surveyed teachers reported that they were now meeting the parents of their students either monthly or quarterly.
- Programme helped to activate 25 School Management Committee (SMC) with 348 members by the end of the intervention. 16 School Development Plans (SDPs) were developed. ₹ 5.1 Lacs School Management Committee (SMC) funds were utilised (₹ 4.5 Lacs in Kotra and ₹ 0.6 Lacs in Gogunda) for school development activities including painting in schools, toilet construction or renovation, mid-day meals, mat (Dari) for classroom and school gate etc.
- As a response to the Covid-19 driven school-closure in 2020, an Integrated Audio Learning program 'Paathshaala ki ghanti bajao!' was designed covering thematic concepts including Smart Education and E-Learning (SEEL), Arithmetic, EVS and Language (Hindi) to stimulate the learning process for children. More than 180 radio episodes (of 30 minutes each) were disseminated through Radio Madhuban.
- Learning festivals exposed students to varied experiential learning medium like dance, music, art & craft, puppetry, sports, electronics, & stitching among others. These learning festivals attracted 600 out of school children who had either dropped out or were not part of the schooling system through engagement in learning studios.

3. Student Teacher Empowerment Program (STEP) in Sheopur, Madhya Pradesh

This project implemented in Sheopur district of Madhya Pradesh aimed to bring systemic change across 40 government schools for 5,395 students. The programme had a three-year duration (Oct 2017 - Mar 2021) with the core objective to improve teacher capabilities to enhance learning outcomes for students in scholastic areas as well as in life skills. Thus, the programme targeted behavioral change among the teachers, through a combination of role-modeling and capacity building. For this purpose, a team of 20 Shikshan Mitras (Resource Persons) were deployed to work in collaboration with 170 plus teachers across 40 schools. The key findings of the third-party impact assessment agency are given below:

- Majority of the teacher respondents (83%) reported limited opportunities for teachers to up-skill themselves in schools before STEP intervention commenced. 99% of the surveyed teachers believed that the intervention had helped in giving them opportunities to upscale their pedagogical skills.
- 79% teachers rated the intervention 'Medium' (average) to 'High' (above average) in terms of helping to create a joyful learning environment in the classroom.
- A majority (92%) of the surveyed teachers reported that their classroom underwent a makeover under the programme. After the makeover, the teachers observed an enhancement in student participation in class and a more vibrant learning environment.
- Average attendance in intervention schools improved from 50-60% in pre-intervention period to approx. 75% in post-intervention period.
- 84% of the parent respondents reported that their involvement in the child's education had improved, post the intervention. More than 50% of them reported interacting with the teachers monthly, and 30% of them reported connecting with the teachers at least once in a quarter.
- 43% of the parents reported an increased interest in education in their children.
- 80% of the student respondents who participated in extracurricular activities were able to recite their favourite poem or story confidently.
- As part of the programme, libraries were set up in schools with around a hundred books provided to cultivate reading habits amongst children. Post the intervention, when asked, most student respondents (87%) reported that they liked reading in their free time. Students further reported that they read between one and five books per month.
- 80% of the students attended schools on all 6 days of the week. This was verified by 75% of parents who observed their children attending schools regularly (5 – 6 days per week) post the intervention. Subsequently, attendance in intervention schools improved from 50-60% pre-intervention to nearly 75% post-intervention.
- 87% parents reported that they were either satisfied or very satisfied with the quality of education provided to their children in their schools.

- Almost half the parent respondents (48%) were aware of the school management committees (SMCs). Approximately 25% of surveyed parents reported being SMC members themselves.
- Most of the surveyed parents (94%) reported that their involvement in their children's education was medium to low before the start of STEP. After the program, 84% reported that their involvement had increased.
- 68% parents rated their interactions with teachers as satisfactory while almost half of the parents rated the staff as highly approachable (more than 7 out of 10 rating).
- 97% of the surveyed teachers were aware of the parent and community visits by Shikshan Mitras. Many of the teachers (88%) also conduct community visits now as a result of the programme.

4. Community-Led Solutions for Girls' Education in Ajmer district, Rajasthan

This community led programme was initiated to improve the quality of education and reduce dropouts in Ajmer district of Rajasthan. The programme was implemented across 478 schools in the three (03) blocks of Ajmer district, viz. Jawaja, Bhinay and Silora. The goal was to improve learning outcomes of students (both boys and girls) in class 3, 4 and 5 through child-friendly content and curriculum known as Gyan Ka Pitara (GKP) to enable easy learning and retention. Furthermore, the programme aimed at facilitating enrolment of girl students into mainstream education. It focused on breaking the social barriers that disrupted regularity in education and to strengthen the bridge between students and educational opportunities. The programme had three broad components which aimed at improving learning outcomes, increasing enrolment, and imparting life skills training. The key findings of the third-party impact assessment agency are given below:

- Every child has been enrolled in school, against previously, where only 50% of the parents enrolled their kids.
- Students were confident and vocal, demonstrated high awareness of their internal and external environment and showcased a positive attitude towards attaining higher education.
- Average retention rate of 97% (2017-18) and 98% (2018-19) was observed.
- Higher enrolment rate was observed for class 1 students.

- Intervention addressed identifying emotions, understanding feelings, dealing with emotions and everyday situations, understanding oneself, creative thinking, logical reasoning, problem solving and receptive abilities.
- During the assessment, it was inferred that students lacked confidence and were hesitant in answering questions in English. Students were unable to form words while reading sentences and took time to respond. In comparison to the baseline and end line study, there has been an improvement in the performance in literacy and numeracy.

5. Orientation of the Principals of Adarsh Schools in Rajasthan

This training programme for principals was initiated with the rationale to improve quality in schools, provide mentoring to the local primary schools and address issues of low enrolment and learning outcomes among students in Rajasthan. The objective of the programme was to equip the principals of model government schools (PEEOs- Panchayat Elementary Education Officers) with new teaching methods to increase interest among students regarding classroom learning. The intended beneficiaries for this programme were 6,000 PEEOs and 200 district administrative officials. The key findings of the third-party impact assessment agency are given below:

- 50% respondents (701 respondents) attended the training in 2017-18 and the rest attended in the next year i.e., 2018-19.
- 76% responded positively to having received reading / reference materials post their trainings.
- The respondents rated – training infrastructure, food and accommodation, information and communication and study materials provided at above 4 on a scale of 1 (min.) to 5 (max.) with the score of 5 indicating a high level of satisfaction with these aspects of the programme.
- 80% principals were confident to use new teaching methods in their classrooms and support other teachers as per the objectives of the programme.
- More than 80% principals could correctly identify the responsibilities communicated to them in the training viz. replicate the learning in other elementary schools; train students using the teaching methods; and train teachers in schools about the teaching methods.

- 76% principals stated that they visited more than two (02) schools to replicate the learnings of the trainings.

Safe Drinking Water and Sanitation

6. Swachh Vidyalaya, Swachh Aadat- School Water, Sanitation and Hygiene (WASH) in Dumka and Pakur districts, Jharkhand

This three-year programme (2017-20) was designed to intervene in 312 government schools in Dumka and Pakur districts of Jharkhand. 52 schools in Dumka district and 52 schools in Pakur district were covered each year, thus covering all the targeted schools in a span of three years. Dumka and Pakur are among the most backward districts in India and home to most vulnerable tribes with poor indicators on child health status compared to the State figures of Jharkhand. Overall, the project targeted creating an enabling environment at the school level to foster hygiene practices by developing a strong partnership of schools, SMCs, communities, and the government. The key findings of the third-party impact assessment agency are given below:

- All 312 schools were found to have provision of water; and in 52 schools, new/existing sources were constructed or improved.
- In 67% schools, adequate provision of toilets and urinals was made, meeting the adequacy ratio of 1:40 with separate toilets for girls and for disabled children.
- In all the schools, handwashing facilities were installed or retrofitted, with 77% of schools reporting adequate provision of consumables for handwashing and 79% schools reporting clean toilets.
- Capacity of School Management Committees (SMCs) was built to assess the WASH facilities in schools, develop budgets for improvements, operations and maintenance (O&M) of facilities, and engage with the government to leverage funds. SMCs were federated in all the blocks for putting collective demands before the government to provide funding support for O&M of facilities.
- Funds worth ₹ 1.15 Crs. were leveraged for improvements and retrofitting of the WASH facilities in 221 schools.
- Handwashing practices among students improved to 68% in schools and 98% at the household level. 65% percent students reported handwashing with soap at critical times at home by their family members and siblings.

- 76% percent adolescent girls reported awareness on menstrual hygiene management and 65% schools reported to have sanitary pads available in schools.

Overall, the project was successful in creating a WASH conducive environment, building capacities of the child cabinets and SMCs, improving the menstrual hygiene management amongst adolescent girls and motivating children to catalyze behaviour change in their families and communities.

Elder Care

7. Rashtriya Netra Yagna programme in 11 States, India

The project was implemented from (2018-2020) to address reversible blindness and treat vision impairments in senior persons through a programme called 'Rashtriya Netra Yagna.' The programme reached 7,240 senior citizens in 11 states (Andhra Pradesh, Assam, Bihar, Gujarat, Karnataka, Odisha, Rajasthan, Uttar Pradesh, West Bengal, Maharashtra and Tamil Nadu). The initiative identified and treated the elderly through a network of eye hospitals and other non-governmental organisations (NGOs) established throughout these regions to hold eye-health camps and aid with surgery and post-surgical care for the elderly. The key findings of the third-party impact assessment agency are given below:

- 77% of patients reported improvement in mobility and thus implying improvements in productivity and self-reliance. Overall, an improved vision had reduced dependency, increased self-reliance, and provided chances for meaningful engagement with society.
- 93% respondents reported a significant improvement in mental health and greater motivation for personal and communal progress as a result of individualised health interventions.
- 88% respondents who were employed prior to their vision loss were able to return to their previous professions and function independently as a result of better eye vision following surgery.
- 88% respondents during interactions claimed they would not have been able to afford surgery at market prices because of a lack of source of income.
- 74% of the senior citizens mentioned that they had to travel more than 10kms to visit a hospital with an eye care facility that would at times not be providing full eye care services like screening, scanning, and surgeries. The eye camps, organised in partnership with eye care hospitals, provided complete eye care treatment to the

elderly in close proximity to their homes. The holistic care, which included screening, diagnosis, surgery and post-surgery care at zero cost encouraged the elderly to avail the services.

Disaster Relief and Rehabilitation

8. Kerala Flood Response- Enhancing Post-Disaster Rehabilitation and Recovery through provision of safe drinking water

In 2018, Kerala experienced worst of the floods in a century which ravaged many parts of the state. A flood response was initiated in two phases to address the water crisis in the five worst flood affected districts- Wayanad, Idukki, Patthanamthitta, Alappuzha and Thrissur. The response included strengthening of the State protocols for disaster response in future. The three major components of the project included: providing water filters to worst affected areas, building capacity of frontline workers on water quality testing and treatment and providing technical inputs to address long term water issues and strengthening institutions to incorporate risk-informed development planning. The key findings of the third-party impact assessment agency are given below:

- All interviewed recipients of training on water quality testing and treatment rated the training as excellent. These respondents were members of 'Kudumbashree' and personnel of the State Health Department. About 97% of the respondents were aware of the correct method of preparing the 1% solution for chlorinating water and 70% of the respondents were aware of the use of H₂S vial as an indicator of bacteriological contamination in water. All the respondents were aware of the means of measuring turbidity and pH level of water.
- About 54% of the respondents went ahead to train other (fellow personnel) and 95% of the respondents trained community members on the training topics discussed under the water quality testing and treatment training.
- Discussions with the PRI members about their training on Landslide Risk Mitigation revealed that 50% of the respondents further trained other community members on the topics. About 70% of them received handholding support from the on-ground project team to further sharing their learnings with other community members. Nearly 95% of them agreed that the training was useful in case of future disasters.
- 92% of the respondents agreed that User Committees were formed. However, at many sites stakeholders

expressed the notion that the water filters were meant for usage in immediate post flood situation and hence after normalization they were discontinued and kept for future use (in similar situations).

- All the respondents that attended trainings on hygiene promotion, water quality, operations and maintenance of filtration units found the trainings useful. The knowledge level assessment of the community (beneficiaries) showed that majority (ranging between 70%-98%) were aware of correct methods of storing, handling and treating drinking water.

9. Kerala Flood Response- Revitalizing and Repair of School WASH facilities in Idukki district, Kerala

This project was initiated to mitigate the adverse effects of the 2018 floods on schools in Kerala and to facilitate speedy resumption of education for children. The disaster relief project included two components- hardware and software, which focused on repair and retrofitting of WASH facilities of the damaged school infrastructure along with behaviour change communication (BCC) for safe hygienic practices and disaster preparedness among students and other stakeholders in 15 schools. The project was aligned with the Swachh Bharat Swachh Vidyalaya (SBSV) design norms that aimed to ensure that the students in these schools had access to basic facilities such as functional school toilets, safe drinking water, clean surroundings and basic information as well as adoption of critical hygiene practices including menstrual hygiene management. The key findings of the third-party impact assessment agency are given below:

- 92% of the WASH retrofitting and facilities in the schools were fully / partially compliant with the detailed project report of each school.
- 74% of the observed retrofitted WASH facilities were either, fully / partially functional. The non-functionality of the WASH facilities in the few cases observed can be attributed to the closure of schools during pandemic when the facilities were not in use.
- Stakeholders such as teachers, principals and almost all the parents (98%) responded that they were satisfied with the quality of construction and repair/upgradation under the project.
- With respect to monitoring of cleanliness and functionality of the facilities, 98% of the parents/SMC/PTA members claimed to be involved in the process.
- Around 90% of the parents and 41% teachers were involved in the monitoring of construction works

related to the upgradation of WASH facilities in the school.

- Several schools reported other structures that were in fairly good condition such as the GI net wall, sanitary napkin incinerator, drainage on either side of the well, protection wall in the backside of the school to protect the school from landslides, roofing of a school building, water conservation tank and flooring outside the toilets.
- All the students responded that they had a fully functional toilet facility in the academic year 2019-20. All the students agreed that the toilet facilities were cleaned by the sweeper.
- 92% of the teachers felt that their schools were better prepared to face disasters in the future due to presence of disaster resilient school infrastructure and improved disaster preparedness of teachers and students.
- Structures such as fencing on the boundary wall with a properly covered well and GI net wall in the front yard of the school, protection wall in the back side of the school, water conservation tank constructed under the project and maintained by the school authorities, made the schools better prepared to face disasters such as floods or landslides in the near future.
- The overall impact of the Project was positive and reflected in terms of reduction of absenteeism and dropouts in schools especially girls as well as Open Defecation Free schools where students practice hygiene at all times. Besides, interventions worth ₹ 65 lacs were undertaken by the Zila Panchayat right after this intervention since they were impressed by the increase in enrolment of the students.

10. Creating Disaster Resilient and Child-Friendly Model Schools in Khorda district, Odisha

This project was initiated in 2018 as a response to the “extremely severe cyclonic storm” (ESCS) Cyclone Fani in Odisha that had destroyed schools amongst other infrastructure. The programme activities of repair and behaviour change communications were implemented in nine schools of Khorda district which were severely damaged by the cyclonic storm. The programme also included creation of model schools with disaster resilient structure along with training of government officials, Odisha State Disaster Management Authority (OSDMA) staff and masons for system and institutional strengthening. The “Manual for Engineers and Construction Professionals on Construction of Resilient

School Structures in Odisha” was created to ensure proper dissemination of knowledge gathered from learnings of this project. The key findings of the third-party impact assessment agency are given below:

- The renovation work in the nine government schools was completed as per the approved standards and the overall quality of construction on visual inspection was found to fulfil each of the approved standards. It was observed during the field visit that the learning from the training has been applied at the time of construction and all the works have been completed by following the construction manual.
- The toilet/urinal blocks were gender-segregated and had adequate light, ventilation, and running water through the overhead reservoir. The girls’ toilets had changing facilities attached with a disposal window for incineration of sanitary pads and other menstrual waste.
- Kitchens were given a new look by renovation of the floor, construction of dishwashing area with shades, and water connection with taps. Multicolour bins were provided to the schools for segregated waste disposal.
- One unique component of the retrofitting work was the provision of toilets for Children with Special Needs (CWSN), which was taken up in seven schools where CWSNs were enrolled and provided with the appropriate facilities (commode and ramp).
- 90.4% of the students and 70.6% of the teachers expressed their satisfaction towards the retrofitting of the toilets. Renovation of the hand washing stations was appreciated by 64.7% of the teachers; installation of the incinerators was appreciated by 23.5% of the teachers.
- 86.5% of the students reported that they wash their hands at least during two critical times such as before eating, after toilet use and after coming back home from outside.
- 92.3% of the girl students mentioned participating in MHM sessions which improved their knowledge about proper disposal of sanitary napkins, importance of nutritious diet, exercises and maintaining hygiene during menstruation.
- 52.9% of the teachers reported that they were involved during site selection and in supervising construction.
- All the head teachers were confident of mobilising the required amount for O&M of WASH infrastructure from

the composite grant and also from the annual fees collected from their students.

- In two schools, ₹ 30,000 and ₹ 40,000 respectively were leveraged through SMCs to maintain and protect the repaired infrastructure.

11. Public Health Recovery and Restoration (including Drinking Water and Sanitation) in Disaster (Flood) Affected Sangli and Kolhapur Districts of Maharashtra

The NSE Foundation's disaster risk reduction efforts in Sangli and Kolhapur aimed to address the immediate problem of lack of access to clean drinking water and hygienic sanitation facilities, which surfaced post the floods faced by these two districts in 2019. The programme operated in a duration of nine months (Oct 2019- July 2020) at two levels: the school and the community. Particularly, the project utilised hardware and software components to a) increase access to safe drinking water b) ensure safe access to sustainable and appropriate sanitation facilities c) raise awareness on safe hygiene practices d) strengthen institutions to deal with the immediate effects of flooding and reduce the scale of negative impact in the future. The key findings of the third-party impact assessment agency are given below:

- Of the 17 urinals/pans constructed for boys and girls, all were in use and working. An average of three urinal pans/rooms were made available under the programme in each school. It was observed that over 50% were easily accessible, clean and in good condition. Maintenance schedule was also in place and followed by the schools.
- The toilets constructed/renovated under the programme were all usable and accessible and had proper room structure with appropriate door and latch for children. It was observed that almost all of the toilets visited were indeed clean and in good condition (not broken) with sufficient light and proper ventilation.
- While all 9 intervention villages had community toilets, 8 villages confirmed that toilets were repaired through the programme and 6 villages reported building new community toilets motivated by the intervention. A total of seventy-one toilet seats were made available of which 42 are for women and the rest for men. All toilets had a storage tank outside for water and a handwashing station. All toilets had a proper superstructure, ventilation, working door and a latch, and connected to an all-weather road.

- 85% of the users reported the toilets as clean and identified the cleaning schedule by the GP or self-cleaning by users as the mechanism to maintain cleanliness. Most common cleaning frequency is once a week.
- All villages visited (6) had an operational task force. Water-persons (those in-charge of water provisions and testing water) from all nine villages confirmed receiving the test kit with training to use them. All stated that the water test results are communicated to the GP or the village water-sanitation committee.
- All ASHAs surveyed could recall training on drinking water safety and hand washing and majority of them could also recall training on topics related to use of toilets, water testing, and waterborne diseases.
- 100% children who participated in the survey recalled the training in WASH safe practices.
- Of the 10 schools (3 had separate units for girls and boys), seven schools had RO water filters provided under the programme. While all seven filters had the facility to store water in the absence of electricity, five were working and provided drinkable water.
- All of the handwashing stations constructed through the programme were in use and provided sufficient volumes of water.

12. Enabling Drought-Free Villages and Integrated & Participatory Watershed Management in Nandurbar

This programme was developed as a unique public-private-community partnership with NSE Foundation serving as a catalyst to bridge the gap between community needs and demand and leverage the government schemes to increase the programme impact. This was initiated post drought declaration in the State of Maharashtra for Nandurbar district in 2018. The plan included a mix of interventions, such as groundwater recharge, rejuvenation of water storage facilities and tanks, desilting of reservoirs, tree plantation, and raising community awareness to use water more efficiently. The project was aligned to the Gaalmukt Dharan, Gaalyukt Shivar Yojana, launched in 2017. The scheme focuses on the desilting of small dams with objectives of increasing water storage capacity, recharging ground water, and providing silt to the farmers to improve agricultural productivity. The key findings of the third-party impact assessment agency are given below:

- 95% of the farmers said the tank or local waterbody's storage capacity had been restored post the intervention.

- The average water availability duration in the local waterbodies had gone up to 10.1 months from 5.9 months.
- The farmers also reported that water levels in the irrigation wells increased to 93.6% after desilting activities conducted under the project.
- On an average, farmers reported an increase in level of water in the wells to 23.2 feet from 14.5 feet; almost a 60% increase.
- The proportion of farmers cultivating any crop in the rabi season increased from 63.8% to 94% after silt application, and the land under cultivation increased from 4.3 acres to 5.4 acres as land fertility improved.
- Almost 90% of the farmers reported that the silted farm provided better yields than before. The increase in the yield of different crops ranged from 17% to 38%.
- The average increase in the annual income of farmers was reported to be ₹ 41,647/- plus annual savings in fertilizer costs of ₹ 10,304/-. Therefore, the net financial

benefit to farmers was ₹ 50,192/-, which is 33.7% of their capital expenditure (return on investment).

- When the projects were commissioned, the drinking water provision facilitated under the programme was subjected to a bacterial and chemical test by the water supply department at Kopari. The results confirmed that the water was safe for drinking purposes.
- Households received water supply twice a day for 30 minutes each, a huge improvement from before the intervention, which was 15 minutes a day. The scheme was received well, and the villagers' water demand was observed to be satisfied.

As required by Rule 8(3) of the Companies (CSR Policy) Rules 2014 and amendments thereunder, the link of the respective impact assessment reports is provided.

https://archives.nseindia.com/global/content/investor_rel/NSE%20Foundation_AIILSG_Impact%20Assessment.pdf

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr. No	Financial Year	Amount available for set-off from preceding financial years (₹ in Cr.)	Amount required to be setoff for the financial year, if any (₹ in Cr.)
1	2021-22	Nil	Nil

6. Average net profit of the company as per section 135(5). ₹ 17,93,12,62,500/-
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 35,86,25,250/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year: Nil.
- (d) Total CSR obligation for the financial year (7a+7b+7c). ₹ 35,86,25,250/-
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
₹35,86,25,250/-	Nil	N.A.	N.A.	Nil	N.A.

(b) Details of CSR amount spent against ongoing projects for FY:

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District.			
1	Phase-1: Integrated Energy Monitoring and Management System for a Large Commercial Complex towards 100% Renewable Energy Utilization	Research (Environmental Sustainability)	No	Tamil Nadu	Chennai	3	4,58,99,112	27,72,878
2	Innovative Medical Devices for Affordable Healthcare	Funding of Incubators	Yes	Maharashtra	Mumbai	3	4,19,16,998	13,97,233
3	Hyperlocal air pollution monitoring using mobile monitoring for Gurugram and Mumbai	Funding of Incubators	No	Tamil Nadu	Chennai	3	2,65,47,432	25,25,499
4	Robotic Solutions for cleaning of Septic Tanks	Funding of Incubators	No	Tamil Nadu	Chennai	1	83,83,400	58,29,746
5	ShikshaDeep Prkalpa-II: Creating sustainable community-led SLCs (Supplementary Learning Centres)	Primary Education	No	West Bengal	Birbhum	3	1,89,32,511	66,66,156
6	Sustainable springshed and agriculture development in Kiphire district in Nagaland	Environmental Sustainability	No	Nagaland	Kiphire	3	3,84,23,914	16,87,858
7	SWIFT Growth (Sustainable Water Institutions for Tangible Growth)	Environmental Sustainability	No	Tamil Nadu	Ramanathapuram	3	3,27,65,120	45,26,106
8	Technical support to 2 Aspirational Districts (Karauli, and Ramanathapuram) for effective implementation of Jal Jeevan Mission and Swachh Bharat Mission	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	5,23,96,247	13,97,233
9	Integrated Solid and Liquid Waste Management	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	1,81,64,032	36,90,628
10	CDD Society (Consortium for DEWATS Dissemination Society)	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	1	17,46,542	8,71,850
11	Urban Comprehensive Primary Health Care	Health and Nutrition	Yes	Maharashtra	Mumbai	3	8,38,33,995	74,75,236
12	Strengthening Primary Health care services in Kiphire District in Nagaland by managing Mobile Medical Unit (MMU) & Government PHC	Health and Nutrition	No	Nagaland	Kiphire	3	1,81,64,032	24,27,693
13	Rice fortification for better nutrition outcomes in the State of Nagaland	Health and Nutrition	No	Nagaland	Nagaland	2	2,79,44,665	62,24,358
14	Technical Support Unit to Mainstream Elder Collectives	Elder Care	No	Pan India	Pan India	2	1,57,18,874	38,97,760
15	CAVACH- COVID relief activities	Disaster Relief and Rehabilitation	No	Pan India	Pan India	1	12,88,24,906	9,16,17,230
16	'Integrated Safe Drinking Water Project in partnership with Jal Jeevan Mission [JJM] in Nandurbar'	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	8,38,33,995	34,93,083

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District.			
17	EQUIP THIRUPULLANI PROJECT (EDUCATION QUALITY IMPROVEMENT PROJECT)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,02,59,882	30,01,711
18	Serving and Enriching Education to Under-privileged Tribal Children in Talode Block of Nandurbar District	Primary Education	No	Maharashtra	Nandurbar	3	1,50,90,119	47,75,857
19	School Health Program	Sanitation and Safe Drinking Water	Yes	Maharashtra	Mumbai	2	1,04,79,249	4,534
20	"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	3,49,30,831	69,96,487
21	An initiative to support healthy ageing in the rural communities	Elder Care	No	Rajasthan	Karauli	3	2,09,58,499	14,14,327
22	Strengthening Wash In Municipal Schools Of Ahmedabad	Primary Education & Sanitation & Safe Drinking Water	Yes	Gujarat	Ahmedabad	3	3,01,10,377	27,07,253
23	"Ankuram" Foundational Learning Enhancement in Primary Grades [I-V] in Government Schools in Todabhim block of Karauli district Rajasthan	Primary Education	No	Rajasthan	Karauli	3	3,14,37,748	59,66,914
24	Foundational Learning Enhancement In Primary Grades [I-V] In Government Schools In Hindaun Block Of Karauli District Rajasthan	Primary Education	No	Rajasthan	Karauli	3	2,65,47,432	82,21,340
25	Empower Women and Girls - for improving Maternal, Child and Adolescent Health and Nutrition	Health and Nutrition	No	Rajasthan	Karauli	3	3,21,36,365	46,14,043
26	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	2,79,44,665	85,02,117
27	Atikranta-An initiative towards transformation	Primary Education & Sanitation & Safe Drinking Water	Yes	West Bengal	Kolkata	3	3,00,40,515	44,40,451
28	Project 'Vidya'	Primary Education	No	Maharashtra	Nandurbar	3	2,44,51,582	87,92,917
29	JALDHARA: Integrated Water, Sanitation and Hygiene (WASH) interventions in Nandurbar, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	3,01,10,377	44,08,467

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District.			
30	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	76,84,783	27,16,367
31	SCORE [Sustainable Conservation of Water Resources Through Enabling] Community-led Development	Environmental Sustainability	No	Tamil Nadu	Ramanathapuram	3	2,09,58,499	38,18,555
32	Creating Enablers For Odf Sustainability	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	2,24,95,455	40,02,301
33	Project for ODF sustainability in Nandurbar	Sanitation and Safe Drinking Water	No	Maharashtra	Nandurbar	3	2,43,81,720	22,99,768
34	Sustainable Community ODF Program at Ramanathapuram Block, Ramnathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	2,58,48,815	77,01,500
35	“Water, Agriculture and Food Security (WAFS) Project” in Bogalur and Mudukulathur Blocks of Ramanathapuram District	Environmental Sustainability	No	Tamil Nadu	Ramanathapuram	4	5,19,07,215	71,05,562
36	Aalambana – Towards Active and Healthy Ageing	Elder Care	No	West Bengal, TamilNadu & Rajasthan	Birbhum, Ramanathapuram & Karauli	4	9,50,81,723	1,41,49,912
37	Project Samartha: Elderly Care programme(55 Years+) in Nandurbar district, Maharashtra	Elder Care	No	Maharashtra	Nandurbar	3	3,14,37,748	47,85,120
38	Bhu-Jal Dhaara (A Livelihood Improvement Project Through Integrated Watershed Development)	Environmental Sustainability	No	Rajasthan	Karauli	4	3,49,30,831	88,538
39	Nse Foundation Block Educational Transformation Karauli B E T Karauli Project Gyanodaya	Primary Education	No	Rajasthan	Karauli	3	3,14,37,748	64,33,409
40	Skill Mitra And Udyog Mitra Model For Livelihood In Two Blocks Of Ramanathapuram (Tamilnadu)	Skill Development and Entrepreneurship	No	Tamil Nadu	Ramanathapuram	3	2,93,41,898	62,78,597
41	Samrakshana: Building Resilience among the Senior Citizens in Green Rameswaram	Elder Care	No	Tamil Nadu	Ramanathapuram	3	2,20,06,424	60,15,645
42	Creating And Enabling A Learning Environment For Academic Excellence	Primary Education	Yes	New Delhi	New Delhi	3	1,74,65,416	21,722
43	PROJECT- STUDENT TEACHER EMPOWERMENT PROGRAM (STEP) PLUS	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,85,03,558	59,11,583

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District.			
44	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	1,04,79,249	-
45	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	70,56,028	19,23,703
46	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	1,72,55,831	1,26,362
47	Making Mandrail Block of Karauli district as Open Defecation Free Sustainable Block through School, AWC and Community centered Sanitation & Safe Drinking Waterinterventions	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	1,78,84,586	16,64,755
48	Improving Language and Numeracy skills in Primary schools of Sapotra Block in Karauli District of Rajasthan State.	Primary Education	No	Rajasthan	Karauli	3	2,01,66,966	1,26,362
49	Working towards making Sapotra Block of Karauli district Open Defecation Free through Community and School based Sanitation & Safe Drinking Waterinterventions.	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	2,17,96,839	36,36,516
50	The project interventions in Chennai will be titled "NSE Foundation Urban Learning Improvement Program"	Primary Education	Yes	Tamil Nadu	Chennai	3	1,73,25,692	7,357
51	Creating a Learning Culture	Primary Education	Yes	Maharashtra	Mumbai	3	1,95,61,266	34,55,470
52	Rehli Shiksha Pahal Program (RSPP)	Primary Education	No	Madhya Pradesh	Sagar	5	2,13,07,807	50,60,863
53	Sustainable Environment & Livelihoods through Soil & Water Conservation and Improving Soil Health.	Environmental Sustainability	No	Rajasthan	Karauli	3	4,10,08,796	42,83,392
54	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	2,72,46,048	71,83,431
55	Akshara: Learning Centers for Primary Children in Rameswaram	Primary Education	No	Tamil Nadu	Ramanathapuram	3	87,32,708	11,65,353
56	ShikshaDeep Prakaipa	Primary Education	No	West Bengal	Birbhum	3	2,04,69,467	30,72,110
57	Promotion of Tirupullani as Swachh and Swasth Block.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	3,14,37,748	80,59,983

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District.			
58	Promotion Of Swachh And Swasth Hindaun Block Of Karauli District In Rajasthan	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	3	3,14,37,748	1,53,012
59	Project Shiksha Setu	Primary Education	No	Maharashtra	Nandurbar	3	3,41,62,353	42,16,531
60	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	7,68,47,829	3,38,34,823
61	HEALTHCARE ACCESS TO GERIATRIC POPULATION THROUGH TECHNOLOGY	Elder Care	No	Tamil Nadu & Maharashtra	Ramanathapuram & Nandurbar	3	4,83,44,271	1,45,73,305
62	DRINKING WATER KIOSKS WITH FLUORIDE AND DESALINITY REMEDIATION	Sanitation and Safe Drinking Water	No	Tamil Nadu & West Bengal	Ramanathapuram & Birbhum	2	3,29,74,705	34,13,152
63	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	2,09,58,499	8,34,672
64	Project Alokito Shoishab (Enlightened Childhood)	Primary Education	No	West Bengal	Birbhum	3	1,56,50,410	36,40,472
65	Wash Scale Up Initiative Swaccho - Nirapad Parivesh (Clean And Safe Environment)	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	2,88,52,867	94,39,793
66	'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	2,15,17,392	71,46,738
67	"Jal Samarthya" - Technical assistance for implementing Village Water Safety and Security (VWSS) in selected villages from Mandrail and Sapotra blocks of Karauli district, Rajasthan and its mainstreaming in Jal Jeevan Mission.	Sanitation and Safe Drinking Water	No	Rajasthan	Karauli	2	2,93,41,898	1,21,31,496
68	Building Water Security for Green Rameswaram	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	2	1,06,18,973	31,227
69	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	3,70,26,681	1,10,03,712
70	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	2,15,17,392	7,05,891

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District.			
71	Project Prajwala - Swachh Balika, Swachh Vidyalaya: Validating Scalable Models for WASH in Schools	Sanitation and Safe Drinking Water	No	Rajasthan	All Districts	3	3,15,89,495	6,66,665
72	Project Prajwala- Wash Compliant KGBVs (MP)	Sanitation and Safe Drinking Water	No	Madhya Pradesh	All Districts	3	4,46,53,626	48,81,692
73	Project Prajwala - Education in KGBVs	Primary Education	No	Rajasthan	All Districts	3	4,12,88,243	41,833
74	Project Prajwala - Education in KGBVs	Primary Education	No	Madhya Pradesh	All Districts	3	5,15,57,907	41,833
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 & Thanjore	1	90,82,016	3,33,850
76	Promoting Sustainability of WASH facilities and child centered governance in the Schools of Rameswaram	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	2	1,03,39,526	3,77,994
77	Swaccho – Nirapad Parivesh (Clean and Safe Environment),	Sanitation and Safe Drinking Water	No	West Bengal	Birbhum	3	1,79,54,447	78,364
78	Nse Foundation Covid Response- Through Supply Of Medical Equipment To JJ Group Of Hospitals	Health and Nutrition	Yes	Maharashtra	Mumbai	1	2,79,44,665	35,78,654
79	Anupad	Primary Education	No	Maharashtra	Nashik	3	3,54,19,863	31,32,035
80	Shraddha – Towards Active And Healthy Ageing	Elder Care	No	Maharashtra, Telangana, West Bengal & Bihar	Yavatmal, Nalgonda, Purbi Midnapore & Supaul	5	3,84,93,776	41,143
81	Girl child educate programme	Primary Education	No	West Bengal	Purulia and Bankura	5	3,87,73,223	56,45,985
82	Rebuilding Schools Affected by Nisarga Cyclone	Disaster Relief and Rehabilitation	No	Maharashtra	Ratnagiri	1	97,80,633	44,44,382
83	Assam Flood Response 2020 Restoration of WASH in Schools	Disaster Relief and Rehabilitation	No	Assam	Jorhat and Golaghat	1	1,39,72,333	40,36,572
84	National Helpline for Senior Citizens (NHSC) with the Ministry of Social Justice and Empowerment (MoSJE), Government of Telangana, National Institute of Social Defence (NISD) and other State Governments.	Elder Care	No	17 states in phase-I	All Districts	1	1,48,80,534	96,52,906
85	Project EQUIP (Education Quality Improvement Project)	Primary Education	No	Tamil Nadu	Ramanathapuram	3	2,76,65,218	55,074

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
				State	District.			
86	Sustainable Community ODF Program in Mandapam Block, Ramanathapuram District, Tamil Nadu.	Sanitation and Safe Drinking Water	No	Tamil Nadu	Ramanathapuram	3	2,21,46,147	8,26,365
87	NSE Foundation-Impact India Foundation's (IIF) Lifeline Express - Hospital on Train project.	Health and Nutrition	No	West Bengal	Birbhum	1	1,04,79,249	48,90,316
88	Project Supply Of Medical Equipment To Government Hospitals	Disaster Relief and Rehabilitation	No	Maharashtra, West Bengal & TamilNadu	Mumbai & Thane, Nandurbar, Birbhum, Ramanathapuram	1	1,18,76,483	32,705
89	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	1,58,58,597	-
90	Promoting WASH Compliant Ashramshala, Maharashtra	Sanitation and Safe Drinking Water	No	Maharashtra	Nashik	3	8,34,14,825	-
91	Student Teacher Empowerment Program	Primary Education	No	Madhya Pradesh	Sheopor	3	1,84,12,041	3,09,011
92	Project Learning Orbit for Village Excellence in partnership	Primary Education	No	Rajasthan	Udaipur	3	1,72,55,831	-
93	Swachh Vidyalaya, Swachh Aadat	Sanitation and Safe Drinking Water	No	Jharkhand	Dumka and Pakur	3	1,90,72,234	-
94	Orientation of the Principals of the Adarsh Schools	Primary Education	No	Rajasthan	Jaipur	3	2,44,51,582	-
95	Creating Disaster Resilient and Child Friendly Model Schools in Odisha	Disaster Relief and Rehabilitation	No	Odisha	Puri	1	1,16,66,898	-
96	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	1,17,36,759	-
97	Serving and Enriching Education to Under-privileged Urban Children in Bhiwandi-Nizampur and Malegaon	Primary Education	No	Maharashtra	Thane & Nashik	3	2,24,21,503	-
98	Educate Girls Program	Primary Education	No	Rajasthan	Ajmer	3	2,61,98,123	-
99	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Disaster Relief and Rehabilitation	No	Kerala	Allapuzha and Thrissur	1	1,29,94,269	-

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)		Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount Spent in the current financial Year (in ₹)
			State	District.	State	District.			
100	Enhancing post-disaster Re-Habilitation and Recovery through Provision of Safe Water in Kerala	Sanitation and Safe Drinking Water	No		Kerala	Idukki	3	1,11,77,866	-
101	Enabling Drought Free Villages through Integrated & Participatory Watershed Management in Nandurbar, Maharashtra	Disaster Relief and Rehabilitation	No		Maharashtra	Nandurbar	1	5,23,96,247	-
102	Rashtriya Netra Yagna	Elder Care	No		11 state	22 District	1	83,83,400	6,98,617
103	Technology Support to combat COVID-19 Pandemic	Disaster Relief and Rehabilitation	Yes		Tamil Nadu	Chennai	1	20,95,850	3,627
								2,90,78,88,707	46,63,35,648

NSE Foundation was incorporated as a company under Section 8 of the Companies Act, 2013 on March 05, 2018, to initiate, supervise and co-ordinate activities to implement the Corporate Social Responsibility policy of NSE and its Group Companies as mandated under the Companies Act, 2013. The overspend is met from previous years' unspent amounts transferred to NSE Foundation.

NSE Foundation is registered with Ministry of Corporate Affairs as Implementing agency for undertaking CSR Projects/Activities vide Registration Number: CSR00002395.

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

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 2021-22
				State	District.	
1	COVID-19 response support nandurbar district health facilities with fowler beds with mattress & pillow and iv saline stands	Disaster Relief and Rehabilitation	No	Maharashtra	Nandurbar	3,45,801
2	Emergency distribution of food material to disadvantaged communities in Mumbai under Disaster Relief	Disaster Relief and Rehabilitation	Yes	Maharashtra	Mumbai	4,83,963
3	Cyclone Relief Activities in Valsad District in Gujarat	Disaster Relief and Rehabilitation	No	Gujarat	Valsad	2,67,361
						10,97,125

(d) Amount spent in Administrative Overheads: ₹ 1,63,44,480/-

(e) Amount spent on Impact Assessment, if applicable (as advance): ₹34,81,098/-

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹48,72,58,354/-

(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	2021-22	Nil	Nil	N.A.	Nil	N.A.	Nil

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil

- (a) Date of creation or acquisition of the capital asset(s). Nil
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (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, ₹35,86,25,250/- 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.

Sd/-
(Chief Executive Officer or
Managing Director or Director)

Sd/-
Chairman CSR & MD & CEO

ANNEXURE 5 TO BOARD'S REPORT REPORT ON CORPORATE GOVERNANCE

I. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

National Stock Exchange of India Limited (NSE) believes in adopting and adhering to the best Corporate Governance practices and continuously benchmarking itself against such practices. NSE has focused on good governance practices and endeavors to improve the same in the corporate landscape. For the information of its stakeholders, NSE is furnishing this Report on corporate governance for FY ended March 31, 2022.

NSE has rigorously stood by the core principles of corporate governance and considers integrity, transparency, fairness, accountability and adherence to the law as the pillars of its business practices. Thus, for NSE, Corporate Governance is not merely about compliance with legislations but also about commitment to values, principles, ethical business conduct and transparency by ensuring honest and professional business practices and establishing an environment of trust and confidence among stakeholders. NSE has infused the philosophy of corporate governance into all its activities. The philosophy on corporate governance is an important tool for stakeholder protection and maximization of long-term value. With regards to the same, the Company has prepared 'Integrated Report for the year 2021-2022'. IR is focused on showing the connectivity of the Company's strategic objectives, risk and performance, both financial as well as non-financial, to demonstrate its commitment towards value creation for its stakeholders.

II. BOARD OF DIRECTORS

A. Composition of the Board and Category of Directors

NSE has a broad-based Board of Directors, constituted in accordance with Companies Act, 2013, SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and SECC Regulations.

Pursuant to the SECC Regulations, the Governing Board of NSE includes Public Interest Directors, Shareholder Directors and Managing Director such that the number of Public Interest Directors is not lesser than the number of Shareholder Directors with the Managing Director being included in the category of Shareholder Director. Public Interest Director is an Independent Director representing the interests of investors in the securities market and who does not have any association directly or indirectly, which in the opinion of SEBI, is in conflict with his role.

Directors of a recognised Stock Exchange are required to be "fit and proper persons" at all times.

As on March 31, 2022, 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
Ms. Sunita Sharma	Shareholder Director
Mr. Veneet Nayar	Shareholder Director

None of the Directors of your Company hold any shares in the Company and are not inter-se related to each other. However, Mr. Veneet Nayar is the settlor of VSAV Family Trust and SVAV Family Trust which holds 1,50,000 equity shares and 2,50,000 equity shares respectively.

Changes during the year and till the date of this report:

- SEBI, vide its letter dated September 20, 2021, approved the nomination of Mr. Veneet Nayar as Shareholder Director, with effect from the said date.
- Mr. Prakash Parthasarathy ceased to be a Shareholder Director w.e.f August 25, 2021 pursuant to his retirement by rotation, being not eligible for re-appointment pursuant to SEBI letter dated February 17, 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. The present term of incumbent MD & CEO ends on July 16, 2022. As required under the Securities and Exchange Board of India Securities Contracts (Regulation) (Stock Exchanges and Clearing

Corporations) Regulations, 2018 (“SECC Regulations”) NSE has initiated the process of appointment of MD & CEO and have provided names to SEBI for their approval. Post approval of one name by SEBI, the same will be presented to the Shareholders for ratification at their meeting.

NSE Board

NSE Board comprises of qualified members who bring in the required skills, expertise and competence that allows them to make an effective contribution to the Board and its Committees. The Board members are committed to ensuring that the NSE Board is in compliance with high standards of corporate governance.

The skills / expertise / competencies / positive attributes etc., that are identified for appointment of a candidate as Director to function effectively, in the context of the business and sector of the Company are:

- **Qualifications** - law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets.
- **Experience** - capital and financial market, financial and management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity

market, derivatives market, futures market, equity market, debt market, index, SME Market etc.

- **Knowledge** - understanding and knowledge of the entity and applicable regulatory norms, constructive and analytical decision-making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities and obligations etc.
- **Technology** - Technical / Professional skills in relation to Company’s business, analysing technological trends, innovation, creative ideas for business, research and innovation, digitization and allied knowledge in the field of science and technology.
- **Leadership** - demonstrable leadership skills, leadership experience with regard to managing a company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communication skills.
- **Governance** - corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics and values, strengthening regulatory functions, protecting shareholder interests, law and other areas relevant to business/sector and industry in which the company operates.

Skill/Expertise in specific functional areas of Board of Directors as on March 31, 2022 are as under:

Skills	Mr. Girish Chandra Chaturvedi	Mr. Vikram Limaye	Ms. Anuradha Rao	Mr. K Narasimha Murthy	Prof. S Sudarshan	Ms. Mona Bhide	Ms. Sunita Sharma	Mr. Veneet Nayar
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 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.

B. Number of Board Meetings

The Board of Directors met 9 times during the year as detailed below:

Sr. No.	Date of meeting
1.	May 11, 2021
2.	June 18, 2021
3.	August 12, 2021
4.	August 26, 2021
5.	October 14, 2021
6.	October 29, 2021
7.	November 30, 2021
8.	February 04, 2022
9.	February 24, 2022

During the year under review, the total duration of the Board meetings i.e. approximate aggregate number of hours was about 62 hours.

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).

(1) Details of Directors along with the Directorship(s) and Chairmanship(s) / Membership(s) of Committees in other companies as on March 31, 2022:

Table No.1

Name of the Director	Category	Attendance Particulars			No. of Directorship(s) / Chairmanship(s) and Committee Chairmanship(s) / Membership(s)		
		Number of Board Meetings		Last AGM	Other Directorship(s)/ Chairmanship	Other Committee Membership(s)	Other Committee Chairmanship(s)
		Held #	Attended				
Mr. Girish Chandra Chaturvedi	Chairman & Public Interest Director	9	9	Y	3	2	2
Mr. Vikram Limaye	Managing Director & CEO	9	9	Y	-	-	-
Ms. Anuradha Rao	Public Interest Director	9	9	Y	1	2	1
Mr. K. Narasimha Murthy	Public Interest Director	9	9	Y	8	9	4
Prof. S. Sudarshan	Public Interest Director	9	9	Y	-	-	-
Ms. Mona Bhide	Public Interest Director	9	9	N	3	1	-
Ms. Sunita Sharma	Shareholder Director	9	9	Y	-	-	-
Mr. Veneet Nayar*	Shareholder Director	5	5	NA	-	-	-

Number of Board Meetings held during the tenure of Director.

* Appointed as Shareholder Director w.e.f. September 20, 2021.

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 & Chairman of Stakeholders Relationship Committee), Mr. Vikram Limaye, Managing Director & CEO, Mr. K. Narasimha Murthy (Chairman of Audit Committee), Ms. Anuradha Rao (Chairperson of Nomination & Remuneration Committee) were present at the Annual General Meeting of the Company held on August 25, 2021.

(2) Names of the listed entities where the Director(s) is a director as on March 31, 2022 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	Non-Executive 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	Non-Executive - 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
	3. PCS Technology Limited	Non-Executive - Non Independent Director
Ms. Sunita Sharma	-	-
Mr. Veneet Nayar	-	-

(3) 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://static.nseindia.com//s3fs-public/inline-files/Familiarization_2021_22.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.

The regular updates inter-alia provided by NSE to the Board include the following:

- Annual operating plans and capital and revenue budgets and updates.
- Annual financial statements.
- Quarterly financial results.
- Status report on NSE operations and operations of different segments.
- Minutes of the meetings of Audit Committee, other Committees of the Board and also minutes of the meetings of the Board of all subsidiary companies.
- Details of foreign exchange exposures and the steps taken to limit the risk of adverse exchange rate movements.
- Details of significant transactions and arrangements entered into by material unlisted subsidiaries.
- Other information, which is required to be placed before the Board as per Listing Regulations and SECC Regulations, is taken to the Board as and when required.

A quarterly report on compliance of applicable laws, Rules and Regulations is placed before the Audit Committee for its review. The Audit Committee reviews the report and gives suggestions for improvement of compliance level/ process, whenever necessary. On its review, a consolidated report is placed before the Board meeting on a quarterly basis.

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: (Weblink: 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 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 / PIDs is in line with the directives issued by SEBI from time to time.
4. Effective performance of functions:
NSE takes all possible efforts to enable the Independent Directors to perform their functions effectively.

In the opinion of the Board, the Public Interest Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

The evaluation exercise in terms of Schedule IV of the Companies Act, 2013, was carried out in a separate meeting of Independent Directors held on May 05, 2022, 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.

The terms and conditions of appointment of Public Interest Directors and Shareholder Directors are governed by the provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations, Listing Regulations and the circulars issued thereunder by SEBI. The terms and conditions of service in respect of the Managing Director & CEO of your Company are governed by the resolution passed by the Board of Directors, shareholders, provisions of the Companies Act, 2013 & Rules laid down thereunder, SECC Regulations and the circulars issued thereunder by SEBI.

NSE pays only sitting fees to its Non-Executive Directors, as prescribed under SECC Regulations, 2018. The sitting fee paid to the Non- Executive Directors for attending the Board Meetings is ₹ 1,00,000/- and for the Committee Meetings (other than IPFT) is ₹ 75,000/- per meeting.

As per the terms of appointment, the Non-executive Directors are not eligible for severance pay or notice period. The Managing Director & CEO is not eligible for severance pay. The notice period for the Managing Director & CEO is three (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 2 to the Directors' Report.

None of the Directors of NSE hold any shares or any convertible instruments of NSE. However, Mr. Veneet Nayar is the settlor of VSAV Family Trust and SVAV Family Trust which holds 1,50,000 equity shares and 2,50,000 equity shares respectively.

The details of remuneration paid to Managing Director & CEO during FY 2021-22 are given in the following table: -

(₹ in Crs.)

Name & Designation	Salary & Allowances	Variable Pay**	Perquisites in cash or in kind	Contribution to PF and other Funds	Total
Mr. Vikram Limaye, MD & CEO	7.89	2.20	0.01	0.30	10.40

** Excludes 50% of the Variable Pay of ₹ 1.42 Crs. 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 2021-22 is as follows:

Name	Board meetings		Board Committee meetings		Total (₹)
	No. of meetings attended	Amount (₹)	No. of meetings attended	Amount (₹)	
Mr. Girish Chandra Chaturvedi	9	9,00,000	42	31,50,000	40,50,000
Ms. Anuradha Rao	9	9,00,000	62	46,50,000	55,50,000
Mr. K. Narasimha Murthy	9	9,00,000	45	33,75,000	42,75,000
Prof. S. Sudarshan	9	9,00,000	41	30,75,000	39,75,000
Ms. Mona Bhide	9	9,00,000	49	36,75,000	45,75,000
Ms. Sunita Sharma	9	9,00,000	26	19,50,000	28,50,000
Mr. Veneet Nayar**	5	5,00,000	10	7,50,000	12,50,000
Mr. Prakash Parthasarathy*	3	3,00,000	9	6,75,000	9,75,000

Sitting fees are exclusive of applicable taxes.

Note:

*Ceased to be Shareholder Director w.e.f. August 25, 2021.

** Appointed as Shareholder Director w.e.f. September 20, 2021.

III. COMMITTEES OF THE BOARD

A. Audit Committee

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls, which the management and the Board of Directors have established, financial reporting and the compliance process. The Committee maintains open communication with statutory auditors, secretarial auditors and internal auditors.

NSE has adopted the Audit Committee charter in addition to the statutorily required terms of reference. The charter broadly stipulates the structure, composition, the roles and responsibility of the authority as well as the overall oversight and operational functions of the Audit Committee.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, and the Listing Regulations. Its terms of reference inter alia include the following:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of NSE;
2. Review and monitor the auditor's independence and performance and effectiveness of audit process;
3. Examination of the financial statement and the auditor's report thereon;
4. Granting omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature. Also granting of approval for any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of the financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management;
10. Oversight of the financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
11. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
12. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board of NSE for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in NSE's Board report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Modified opinion in the draft audit report, if any.
13. Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
14. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of the public, rights issue and making appropriate recommendations to the Board to take steps in this matter;
15. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit

department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

17. Discussion with internal auditors of any significant findings and follow up there on;
18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of NSE;
19. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. To look into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approval of appointment of the CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
23. Review of the Secretarial Audit reports and matters connected therewith;
24. The Audit Committee shall mandatorily review the following information:
 - a. management discussion and analysis of financial condition and results of operations;
 - b. statements of significant related party transactions submitted by management;
 - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. internal audit reports relating to internal control weaknesses; and
 - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
25. Carrying out any other function as the Audit Committee may deem fit or as may be assigned by the Board from time to time.

The Audit Committee presently comprises of 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 9 times during the year i.e., on May 10, 2021, June 18, 2021 (two meetings held), August 11, 2021, October 14, 2021, October 28, 2021, February 3, 2022, February 24, 2022 and March 11, 2022. 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	9	9
Mr. Girish Chandra Chaturvedi	9	9
Ms. Anuradha Rao	9	9
Ms. Sunita Sharma	9	9

The Officer responsible for the finance function, the representative of the statutory auditors, internal auditors and secretarial auditors are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. Mr. K. Narasimha Murthy, the Chairman of the Audit Committee attended the Annual General Meeting held on August 25, 2021.

The maximum gap between any two meetings was less than one hundred and twenty days.

B. Nomination & Remuneration Committee (NRC)

As per SECC Regulations, the Nomination & Remuneration Committee (NRC) shall consist of Public Interest Directors and shall be chaired by a Public Interest Director. However, Independent External Person(s) may be part of the Committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the Independent External Persons.

As per requirements of the Companies Act, 2013, NSE is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors. The Chairman of NRC shall be different from the Chairman of the Board. Accordingly, the Board constituted Nomination &

Remuneration Committee for the purpose of discharging its functions required under both Companies Act, 2013 and under SEBI Regulations.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, the Listing Regulations and the SECC Regulations. The terms of reference of the Nomination and Remuneration Committee inter-alia include the following:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a director and for personnel who may be appointed in Senior Management.
2. Identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the Policy and criteria laid down.
3. Selecting the Managing Director.
4. Recommend to the Board appointment and removal of Directors & personnel in Senior Management in accordance with policy and criteria laid down.
5. Recommend on the extension or continuation of the term of appointment of independent director and PID on the basis of performance evaluation of independent directors and PIDs.
6. Identification of Key Management Personnel (KMPs) and determining the tenure of KMPs under SEBI Regulations, other than a director, to be posted in a regulatory department.
7. Recommend to the Board a policy relating to the compensation / remuneration in terms of the compensation norms prescribed by SEBI and remuneration for the directors including MD & CEO, senior management (including key managerial personnel) and other employees so as to attract and retain best available personnel for position of substantial responsibility with the Company.
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
9. Approve variable pay and fixed pay of KMPs under SECC Regulations including Managing Director & CEO and release of variable pay withheld earlier of such KMPs.
10. Formulate the criteria for effective evaluation of performance for Independent Directors, Board of Directors its committees, individual directors and Public Interest Director (PID) and its review thereof; which shall be carried out either by the Board, by

the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

11. Determine the composition of the Board of Directors and addressing issues of Board diversity; devising a policy on diversity of Board of Directors.
12. Ensure that appropriate procedures are in place to assess Board membership needs and Board effectiveness.
13. Review, approve and aid the Board in succession and emergency preparedness plan for key executives.
14. Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.

The Nomination and Remuneration Committee presently comprises of 3 Directors viz., 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 2021-22 and the remuneration for FY 2022-23 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 13 times during FY 2021-22, i.e. on April 17, 2021, May 01, 2021, May 21, 2021, June 01, 2021, July 01, 2021, October 28, 2021, January 27, 2022, February 03, 2022, February 11, 2022, February 19, 2022, February 28, 2022, March 17, 2022 and March 24, 2022.

The details of the attendance of members of the NRC at their meetings held on above dates are given hereunder:

Name	Number of meetings held during the year	Number of meetings attended
Ms. Anuradha Rao	13	13
Mr. Girish Chandra Chaturvedi	13	13
Prof. S. Sudarshan	13	13

Ms. Anuradha Rao, the chairperson of the Nomination and Remuneration Committee attended the Annual General Meeting held on August 25, 2021.

C. Stakeholders Relationship Committee (SRC)

The Committee besides discharging the function of approving share transfers and deciding on any matter incidental to or connected with the transfer, also discharges the function of redressal of shareholder grievances like transfer of shares, non-receipt of Annual report, non-receipt of declared dividends etc.

The role of SRC includes:

1. To review the status of redressal of grievances / correspondences / complaints which may include complaints related to conduct of the general meetings, transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, redemption of bonds / debentures, non-receipt of interest, Bonus shares / Right shares / IPO shares, any other grievances related to the shares / bonds / debentures issued to the security holders of the Company, as may be applicable.
2. To review process related to transfer/transmission of securities and delegate, as appropriate, the authority to approve transfers / transmission of securities and related documentation to be submitted to R&TA / Depository(ies) related to transfer of shares.
3. To review the adherence to the service standards and standard operating procedures adopted by the Company in respect of various services being rendered and review of work done by the Registrar & Share Transfer Agent to its shareholders.
4. To review the various measures/ initiatives taken by the Company, inter-alia for process related to transfer / transmission of securities, reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrant/ annual report/ Notice of General Meetings by the shareholders of the Company and recommend measures to further enhance the service standards for the benefit of the security holders of the Company.
5. To review measures taken for effective exercise of voting rights by shareholders (including foreign shareholders).
6. To review the status of litigations that may have been filed by the Company against security holders of the Company or filed by security holders against the Company.
7. To consider and review such other matters, as the Committee / Board may deem fit, from time to time.

The SRC presently comprises of four Directors viz., Mr. Girish Chandra Chaturvedi, Mr. Vikram Limaye, Ms. Sunita Sharma and Mr. Veneet Nayar 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.

The Committee met four times during the year, i.e. on May 28, 2021, July 02, 2021, August 11, 2021 and October 28, 2021.

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. Girish Chandra Chaturvedi	4	4
Mr. Vikram Limaye	4	4
Ms. Sunita Sharma	4	4
Mr. Veneet Nayar*	1	1
Mr. Prakash Parthasarathy**	3	3

Number of Meetings held during the tenure of Director.

*Inducted as a member w.e.f. October 14, 2021.

** Ceased to be a member w.e.f. August 25, 2021.

Mr. Girish Chandra Chaturvedi, Chairman of the Stakeholders Relationship Committee attended the Annual General Meeting held on August 25, 2021 to answer shareholders' queries.

Details of complaints received and resolved during the financial year:

Number of complaints received and resolved during the financial year are as under:

Opening Balance	Received during the year	Resolved during the year	Pending Complaints
Nil	1	1	Nil

All complaints were resolved to the satisfaction of shareholders of the Company.

D. Risk Management Committee (RMC)

The RMC reviews the adequacy and efficacy of the Risk Management Framework on an ongoing basis.

The role of RMC includes:

1. Responsible for approving and monitoring the Enterprise Risk Framework.

2. Responsible for approving Risk Management Policies and recommending the same to the Board for its approval.
3. Responsible for approving the Risk Measurement Framework and recommending the same to the Board for its approval.
4. Re-assess Risk Management Policies and Risk Measurement Framework at least on an annual basis based on the change in business strategy, regulation, macroeconomic environment or competitive practices.
5. Review output of Risk Measurement Framework on a periodic basis and suggest corrective/remedial Risk Mitigation actions as the case may be.
6. Review the status of Cyber Security Implementation on a periodic basis.
7. Review Cyber Security Incidents on a periodic basis.

The RMC monitors the implementation of the risk management policies and keeps the Governing Board informed about its implementation and deviation, if any.

The RMC met 6 times during the year i.e. on May 10, 2021, June 02, 2021, June 17, 2021, August 11, 2021, October 28, 2021 and February 03, 2022.

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	6	6
Prof. S. Sudarshan	6	6
Mr. Abhijit Sen	6	5
Mr. K. Narasimha Murthy	6	6

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 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. Veneet Nayar, Mr. Vikram Limaye and Prof. S. Sudarshan as its Members with Mr. Veneet Nayar as Chairman of the Committee. Mr. Prakash Parthasarathy was part of the Committee, however ceased to be a member w.e.f August 25, 2021.

The Committee met 3 times during the year, i.e. on May 10, 2021, October 28, 2021 and February 02, 2022.

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. Veneet Nayar*	2	2
Mr. Vikram Limaye	3	3
Prof. S. Sudarshan	3	3
Mr. Prakash Parthasarathy**	1	1

*Inducted as a Member w.e.f October 14, 2021

** Ceased to be a Member w.e.f. August 25, 2021

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. Priya Subbaraman, Chief Regulatory Officer of NSE attends the meeting of 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 the voluntary withdrawal of membership.

2. Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as a defaulter, expulsion, to be taken for various violations by the members of the Exchange.
3. Based on the laid down policy, consider the cases of violations observed during the inspection, etc., and impose appropriate regulatory measures on the members of the Exchange.
4. While imposing the regulatory measure, the Committee shall adopt a laid down process based on the 'Principles of natural justice.'
5. Realise all the assets / deposits of the defaulter/expelled member and appropriate the same amongst various dues and claims against the defaulter / expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange.
6. In the event both the clearing member and the constituent trading member are declared defaulters, then the membership selection Committee of the stock exchange and that of the clearing corporation shall work together to realise the assets of both the clearing member and the trading member.
7. Admission or rejection of claims of client/trading members/clearing members over the assets of the defaulter/expelled member.
8. Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise.

2. Standing Committee on Technology (SCOT)

The Standing Committee on Technology presently comprises of 4 members viz. Prof. S. Sudarshan, Public Interest Director, Ms. Anuradha Rao, Public Interest Director, Dr. Lalitesh Katragadda, 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 13 members. Mr. Girish Chandra Chaturvedi acts as its Chairman.

The brief description of terms of reference of the Advisory Committee, are as under:

The main role of Advisory Committee is to advise the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies.

4. Regulatory Oversight Committee

The Regulatory Oversight Committee presently comprises of 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.

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 the Investors Services Cell of the Exchange, which includes a review of the complaint resolution process, review of complaints remaining unresolved over a long period of time, estimating the adequacy of resources dedicated to investor services, etc.
16. Supervise Investor Service Fund, including its utilization.
17. Annual review of arbitrators and arbitration awards (both quantum and quality of the awards).
18. Lay down procedures for the implementation of the Ethics Code.
19. Prescribe reporting formats for the disclosures required under the Ethics Code.
20. Oversee the implementation of the code of ethics.
21. Periodically monitor the dealings in securities of the Key Management Personnel.
22. Periodically monitor the trading conducted by firms/ corporate entities in which the Directors hold twenty percent or more beneficial interest or hold a controlling interest.
23. Monitor implementation of SECC Regulations and other applicable Rules and Regulations along-with SEBI Circulars and other directions issued thereunder.
24. Review the fees and charges levied by the Exchange.
25. The head(s) of department(s) handling the above matters shall report directly to the Committee and also to the Managing Director. Any action against the head(s) of department(s) shall be subject to an appeal to the Committee, within such period as may be determined by the Governing Board.

5. Grievance Redressal Committee

Grievance Redressal Committees are formed at regional level. The function of Grievance Redressal Committee includes dealing with the complaints referred to it by the Stock Exchange, hearing the parties and resolving their complaints.

6. Public Interest Director Committee

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 2021-22, Public Interest Directors Meetings were held on June 23, 2021 and December 22, 2021.

The details of the attendance of members at the meetings 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 PID for second review of claims lodged by the claimants of the defaulter / expelled members

This committee reviews the claims lodged by the claimants of the defaulter/expelled members, i.e., the second review request lodged by the claimant who is not satisfied with the outcome of the first review by MCSGFC in respect of members who have been disabled post November 13, 2020. The said Committee was constituted pursuant to SEBI letter dated November 13, 2020. The Committee currently comprises of 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. Deloitte Touche Tohmatsu India LLP., external firm of chartered accountants as its internal auditor in order to ensure independence and credibility of the internal audit process related to finance function and also to conduct operations audit so as to improve operational efficiency and compliance.

V. SECRETARIAL AUDIT

NSE had engaged the services of M/s. Makarand M. Joshi & Co., Company Secretaries to conduct Secretarial Audit for FY ended March 31, 2022. The report of the Secretarial Auditors is placed before the Audit Committee.

VI. ANNUAL SECRETARIAL COMPLIANCE REPORT

NSE has undertaken an audit for FY 2021-22 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars/ Guidelines issued thereunder.

The Annual Secretarial Compliance Report has been obtained from M/s. Makarand M. Joshi & Co., Company Secretaries in terms of SEBI circular of February 8, 2019.

VII. CEO/ CFO CERTIFICATION

The CEO and CFO certification of the financial statements for FY 2021-22 is attached at the end of the report.

VIII. GENERAL SHAREHOLDER INFORMATION

(A) Annual General Meeting:

The 30th Annual General Meeting of NSE will be held on Tuesday, July 12, 2022, through Video Conference / Other Audio-Visual Means (VC/OAVM). The deemed venue for the 30th Annual General Meeting shall be the registered office of the Company i.e. Exchange Plaza, Plot - C1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051. For details, please refer to the Notice of this AGM.

(B) Financial Year: April 01, 2021 to March 31, 2022.

(C) Dividend Payment Date:

Dividend, if declared at the AGM will be paid on or before Wednesday, August 10, 2022 to those Shareholders

whose names appear in the Register of Members of the Company as on Tuesday, July 5, 2022 (close of business hours of Record date).

(D) Dividend:

NSE provides the facility of direct credit of the dividend to the member's bank account. Listing Regulations also mandate Companies to credit the dividend to the members electronically.

Unpaid dividend

Please refer section Unpaid/Unclaimed Dividend of Board's Report.

(E) Registrar and Transfer Agent:

The address for communication and contact details of the Registrar and Transfer Agent are as under:

M/s. Link Intime India Private Limited
C-101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai - 400 083

Tel. No. + 91 22 49186000; Fax No. + 91 22 49186060
e-mail id: benpos@linkintime.co.in/equityca@linkintime.co.in;

website: <https://linkintime.co.in>.

(F) Share Transfer system:

The equity shares of NSE are in dematerialised form. Further, the ISIN of equity shares is suspended by NSE to prevent transfers not approved by NSE pursuant to Article 63 of its Articles of Association and to ensure compliance with the provisions of SECC Regulations. Therefore, when application for approval of transfer of shares is received, adherence to compliance with SECC Regulations is ensured.

SEBI, vide its notification dated August 13, 2021 amended Regulation 19 of the Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018, pursuant to which, the onus of ensuring the fit and proper person criteria for the shareholders of exchange, which was earlier on the stock exchange is now on the shareholders themselves. The SRC has approved a process for transfer of shares for shareholding below 2% and has delegated powers for approval to certain Senior Officials of the Company.

(D) Distribution of shareholding:

Distribution of Shareholding as on March 31, 2022

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	2091	80.21	5,15,40,691	10.41
Corporates-Listed	16	0.61	69,74,750	1.41
Corporates-Unlisted	303	11.62	6,76,82,469	13.67
Financial Institutions/Banks	6	0.23	2,26,05,946	4.57
Insurance Companies	10	0.38	9,56,06,750	19.31
Venture Capital Fund/AIFs	9	0.35	2,37,47,542	4.80
Foreign holding	84	3.22	22,06,50,585	44.58
Hindu Undivided Family	37	1.42	4,89,402	0.10
Trust	51	1.96	57,01,865	1.15
Total	2,607	100.00	49,50,00,000	100.00

Top 10 Shareholders as on March 31, 2022

Sr. No	Name of the shareholder	No. of shares	Percentage of shareholding (rounded off to 2 decimals)
1	Life Insurance Corporation of India	5,30,55,000	10.72
2	Aranda Investments (Mauritius) Pte Ltd	2,47,50,000	5.00
3	Stock Holding Corporation of India Ltd	2,20,00,000	4.44
4	SBI Capital Markets Limited	2,14,50,000	4.33
5	Veracity Investments Limited	1,94,59,000	3.93
6	State Bank of India	1,59,69,410	3.23
7	Crown Capital Limited	1,57,11,570	3.17
8	PI Opportunities Fund I	1,48,50,000	3.00
9	MS Strategic (Mauritius) Limited	1,29,50,000	2.62
10	Acacia Banyan Partners	1,23,75,000	2.50

As per SECC Regulations, NSE is required to ensure that at least 51% of the equity share capital is held by public i.e. not more than 49% to be held by TM/CM/their associates. NSE is also required to ensure that at least 51% of the equity share capital is held by persons resident in India (as per FEMA) i.e. not more than 49% to be held by persons resident outside India.

The percentage of shareholding in the hands of 'Public' category within the meaning of SCR (SECC) Regulations, 2018 as on March 31, 2022 is 54.23% 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/PolicyonMaterialityandDealingwithRelatedPartyTransactions.pdf

The Audit Committee of the Company has granted omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length. The Audit Committee also reviews all RPTs on a quarterly basis in line with the omnibus approval granted by it. During FY 2021-22, NSE did not have any material pecuniary relationship or transactions with Non-Executive Directors.

II. Details of non-compliance by NSE, penalties, strictures imposed on NSE by SEBI or any other statutory authority on any matter related to capital markets during the last 3 years.

1. Co-location order - WTM/GM/EFD/03/2018-19- April 30, 2019 (Pending before SAT):

- I. NSE shall disgorge an amount of ₹ 624.89 Crs. along with interest at the rate of 12% per annum from April 01, 2014 onwards to the Investor Protection and Education Fund (IPEF) created by SEBI under Section 11 of the SEBI Act, within 45 days from the date of the Colocation Order.
- II. NSE shall be prohibited from accessing the securities market directly or indirectly for a period of six (6) months from the date of the Co-location order.
- III. NSE shall carry out System Audit at frequent intervals, after thorough appraisal of the technological changes introduced from time to time; reconstitute its Standing Committee on Technology at regular intervals to take stock of technological issues; and frame a clear policy on administering whistle blower complaints.
- IV. NSE shall initiate an enquiry under its Employees Regulations against Mr. Mahesh Soparkar and Mr. Deviprasad Singh with respect to the findings contained in paragraph 8.4.7.6 of the Colocation Order and submit a report to SEBI within 6 months from the date of the Colocation Order.
- V. Ravi Narain (former MD & CEO of NSE) was directed to disgorge 25% of the salary drawn for FY 2010-11 to 2012-13 to the

IPEF created by SEBI under Section 11 of the SEBI Act, through NSE, within a period of 45 days from the date of the Colocation Order. NSE has been directed to determine and intimate the amount arrived at, in view of the above directive.

- VI. Chitra Ramkrishna (former MD & CEO of NSE) was directed to disgorge 25% of the salary drawn for FY 2013- 2014 to the IPEF created by SEBI under Section 11 of the SEBI Act, through NSE, within a period of 45 days from the date of Colocation Order. NSE has been directed to determine and intimate the amount arrived at, in view of the above directive.

2. Colocation Adjudication - SEBI Order dated February 10, 2021 Order /AP/SK/ 2020-21/10374-10376 (Pending before SAT):

- I. SEBI has levied a penalty of ₹ 1 Crs. on NSE.

3. Dark fiber order WTM/SKM/EFD1-DRAIII/ 16 /2019-20 – April 30, 2019 (Pending before SAT):

- I. NSE is directed to deposit a sum of ₹ 62.58 Crs. as determined at paragraph 70.3 by the Dark Fiber Order along with interest calculated at the rate of 12% p.a. from September 11, 2015 till the actual date of payment, to IPEF of SEBI within 45 days from the date of this Order.
- II. NSE, on completion of every six months (by June 30 and December 31) for the next three years, shall get its network architecture and infrastructure in its colocation facility and its linkages to the trading infrastructure audited by an independent CISA/CISM qualified and CERT-IN empaneled auditor. The deficiencies/shortcomings observed therein and the corrective steps taken thereon, with the comments of the MD and CEO of NSE shall be submitted to SEBI after obtaining approval of its Governing Board within 60 days from June 30 and December 31 of the year starting from June 30, 2019.

- III. NSE is directed to prepare a comprehensive documented policy which shall, inter alia, include Guidelines, Standard Operating Procedures and Protocols with respect to its colocation facility including the eligibility

criteria for Telecom Service Providers, the norms to be observed by the Stock Brokers and other registered intermediaries. The said documented policy is directed to be issued to the market intermediaries under intimation to SEBI, within three months from the date of Dark fiber Order.

- IV. NSE is directed to submit to SEBI, a report duly certified by its MD and CEO and with the comments of its Governing Board certifying that the network architecture and connectivity at its colocation facility and its linkages to the trading infrastructure are in conformity with SEBI's regulatory norms to provide fair, equitable, transparent and non-discriminatory treatment to all the market intermediaries registered with NSE. Such report shall be submitted within 30 days after every six months (ending on June 30 and December 31) for the next three years. First such report shall be filed for the six months ending on June 30, 2019, by July 31, 2019 based on the existing system and practices, pending compliances to directions issued at points 2 and 3 above.
- v. Not to introduce any new derivative product for next six months from the date of the Dark fiber Order.

4. Governance Order -WTM/SKM/EFD1-DRA-III/18/2019-20 - April 30, 2019 (Pending before SAT):

- I. NSE has been directed to take necessary legal actions against Mr. Ajay Shah, Infotech Financial Services Pvt. Ltd., Ms. Sunita Thomas and Mr. Krishna Dagli (Directors of Infotech Financial Services Pvt. Ltd.) for violating the provisions of the "Professional Service Agreement" signed with Infotech in connection with LIX project and for misusing the data made available to them by NSE as per the findings made in this Governance Order. NSE is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from date of the Governance Order.

- II. NSE is directed to review all the third party agreements having a data sharing component/provision therein signed by it from year 2009 onwards and take necessary legal actions against the parties with whom such agreements were signed wherever any actions of irregularity, breach of terms and conditions and other provisions of such agreements are observed. NSE is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from date of the Governance Order.

- III. NSE is directed to prepare a detailed documented policy with respect to data usage and data sharing with external persons/entities in a fair & transparent manner, including data sharing with any researchers, commercial entities, overseas entities, etc., with due provisions for processes to be followed and disclosures of conflict of interest to be made at the level of any employee of NSE. The policy shall be comprehensive with proper maker and checker system with provision for periodic review to ensure prevention of misuse of the data/information. NSE is further directed to submit an action taken report in this regard along with the observation of its Governing Board to SEBI, within three months from the date of the Governance Order.

- IV. It is further directed that the aforementioned data usage and data sharing policy shall be implemented after approval of the same by the Governing Board of NSE and shall be disseminated through a circular and also be displayed on the website of NSE.

5. Corporate Governance- GOO Order- February 11, 2022 (NSE has complied with the order):

- I. SEBI in light of the aforesaid violations has inter alia levied a penalty of ₹ 2 Crs. on NSE and also directed NSE to not launch any new product for a period of 6 months from the date of the order.

6. Leave Encashment - Order/AP/SK/2020-21/8744 (NSE has complied with the order) August 25, 2020:

I. Monetary penalty of ₹50,00,000/- was levied on NSE.

7. STP SCN- Settlement - Application No. 6462/2021- December 28, 2021:

I. Settlement Amount of ₹ 4.87 Crs. (NSE has complied with the order).

8. Adjudication Order: Order/AP/SK/2020-21/9375 October 01, 2020:

Penalty amount of ₹ 6,00,00,000/ was levied on NSE. SAT has set aside the order passed by SEBI. SEBI has preferred an appeal before SC and the same is pending.

9. SEBI letter dated July 2, 2021 bearing reference no. SEBI/HO/MRD1/MRD1_DTCS/P/OW/2021/14193/2 financial disincentive of ₹ 25 Lakh

NSE paid the amount to SEBI.

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.

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

Please refer section Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 of Board's Report.

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. A statement of all significant transactions and arrangements entered into by NCL and NSEI is periodically brought to the attention of the Board of Directors of NSE. The minutes of the meetings of the Board of Directors of all the subsidiary companies of NSE are also periodically brought to the meeting of the Board of Directors of NSE for its noting. The 'Policy for determining material subsidiaries' is available on the Website of NSE. (Weblink: https://static.nseindia.com//s3fs-public/inline-files/Material%20Subsidiary%20Policy_0.pdf)

The Report of the Secretarial Audit of NCL & NSEI is annexed herewith as Annexure 6(ii), 6(iii), in terms of the amendments in the LODR Regulations dated May 05, 2021. The Secretarial Audit Report of NCL & NSEI does not contain any qualifications, reservation, adverse remarks or disclaimer.

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.

<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 in respect of matters related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, etc. During the

year, your Company received one complaint from its shareholder(s) in respect of transfer of shares.

X. Certificate from a Company Secretary in Practice

M/s. Makarand M Joshi & Co., Practicing Company Secretaries has given a certificate that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as the Directors of NSE by the SEBI / MCA or any such statutory authority. The said certificate also forms part of this Report.

XI. The details regarding total fees for all services paid by NSE and its subsidiaries, on a consolidated basis, to the Statutory Auditor (Price Waterhouse & Co Chartered Accountants LLP) and all entities in the network firm/network entity of which the Statutory Auditor is a part is as under:

Sr. No	Nature of fees paid by NSE to Statutory Auditor	Amount paid (in ₹ Crs.) to the Auditor
1	Audit fees	0.65
2	Limited review	0.30
3	Certification matters	0.05
4	Other services	0.02
	Total	1.02

XII. GENERAL BODY MEETINGS

Location, date and time of the general body meetings held in the last three years till March 31, 2022: -

Type of meeting	Date	Time	Venue	Special Resolution passed
29 th Annual General Meeting	August 25, 2021	11.00 A.M	Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 [deemed venue since the meeting was held through Video Conference / Other Audio-Visual Means (VC/OAVM)].	-
28 th 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)].	-
27 th Annual General Meeting	August 02, 2019	11.00 A.M	Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai-400051	-

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 2021-22.

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 06, 2022

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 Chief Financial Officer & Head Corporate Affairs of the National Stock Exchange of India Limited hereby certify to the Board that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes, if any, in internal controls over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Vikram Limaye
Managing Director & CEO

Yatrik Vin
Group Chief Financial Officer & Head Corporate Affairs

Place: Mumbai
May 06, 2022

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined all relevant records of National Stock Exchange of India Limited for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended March 31, 2022. In terms of Regulation 33(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the disclosure requirements and corporate governance norms. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with disclosure requirements and corporate governance norms as specified for Listed Companies. However, in one matter the Company has received a SEBI vide order no. WTM/AB/MRD/DSA/21/2021-22 dated February 11, 2022 where a penalty of ₹ 2 Crs. has been levied w.r.t. matter of Appointment of Chief Strategic Advisor ('CSA') and his re-designation as 'Group Operating Officer and Advisor to Managing Director.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
Partner
FCS: F5533
CP: 3662
PR: 640/2019
UDIN: F005533D000413732

Date: May 27, 2022
Place: Mumbai

CERTIFICATE

(Pursuant to Schedule V Para C clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

National Stock Exchange of India Limited,

Exchange Plaza C-1 Block G,

Bandra Kurla Complex,

Bandra East, Mumbai 400051.

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to National Stock Exchange of India Limited having CIN U67120MH1992PLC069769 and having registered office at Exchange Plaza C-1 Block G, Bandra Kurla Complex, Bandra East, Mumbai - 400051 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) documents available on the website of the Ministry of Corporate Affairs as on 13th April 2022 and Stock Exchanges as on 03th May 2022 (ii) Verification of Directors Identification Number (DIN) status at the website of the Ministry of Corporate Affairs, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority as on 31st March, 2022.

Table A

Sr. No	Name of the Director	Director Identification Number	Date of Appointment in the Company*
1.	Narasimha Murthy Kummamuri	00023046	17/02/2020
2.	Girish Chaturvedi Chandra	00110996	08/11/2019
3.	Vikram Mukund Limaye	00488534	17/07/2017
4.	Veneet Nayar	02007846	20/09/2021
5.	Sunita Sharma	02949529	19/10/2016
6.	Mona Mukund Bhide	05203026	21/04/2020
7.	Anuradha Rao	07597195	08/11/2019
8.	Sundararajarao Sudarshan	08636735	17/02/2020

For Makarand M. Joshi & Co.

Practicing Company Secretaries

Kumudini Bhalerao

Partner

FCS No. 6667

CP No. 6690

UDIN: F006667D000276961

Date: May 27, 2022

Place: Mumbai

ANNEXURE 6(i) TO BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR FY ENDED ON MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

National Stock Exchange of India Limited,

Exchange Plaza, C-1, Block G, Bandra Kurla Complex,

Bandra (East), Mumbai 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Stock Exchange of India Limited (hereinafter called 'the Company' or 'NSE'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Modified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the 'Audit Period') complied

with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; (External Commercial Borrowings is not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable (PIT Regulations);
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2018; (Not Applicable to the Company during the Audit Period)

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period) and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable to the Company during the Audit Period)

(vi) Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter Listing Regulations)

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that

1. The code of conduct framed by the company in pursuance of Reg. 9(2) of PIT Regulations does not contain some of the minimum standards to be set out in accordance to Schedule C of PIT Regulations.
2. The company was not having approval for acting as a STP Centralised Hub till 8th June 2021 which is to be taken from SEBI. However, this has been settled by paying settlement amount as mentioned below in material events.

With reference to compliance of maintaining structured digital database under regulation 3(5) of PIT Regulations, we have relied upon the third-party opinion taken by the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that the Company has digital compliance management system. The adequacy and efficacy of the same shall be read in the context of the events, observations and remarks specified in this report.

We further report that during the audit period,

1. The Company has received show cause notice for violation of STP guidelines on March 26, 2021 for which the Company has made settlement application and the same has been settled through Order no. SO/SBM/KL/2021-22/6462 by paying an amount of ₹4.87 Crs.
2. The Securities and Exchange Board of India (hereinafter referred as "SEBI") vide final order WTM/AB/MRD/

DSA/21/2021-22 dated February 11, 2022, has levied a penalty of ₹2 Crs. on NSE w.r.t. the matter of appointment of Chief Strategic Advisor ('CSA') and his Re-designation as 'Group Operating Officer and Advisor to MD' and sharing of internal confidential information of NSE with unknown person by Ms. Chitra Ramkrishna. Further SEBI also directed NSE not to launch any new product for a period of 6 months from the date of the order.

3. SEBI had issued notice to the company w.r.t. technical glitch happened due to certain issues which impacted the Storage Area Network (SAN) system of the Company, consequently the primary SAN becoming inaccessible to the host servers on February 24, 2021, resulting in trading halt. The company has followed Standard Operating Procedure (SOP) as communicated in SEBI Correspondences and SOP communicated vide letter dated August 06, 2019 to all Market Infrastructure Institutions (MIIs) for reporting of technical glitches by MIIs and imposition of Financial Disincentives and paid

₹ 25 Lakhs without admission of any lapse on the part of NSE. This matter is pending before SEBI for further proceedings & discussions.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi

Partner

FCS: F5533

CP: 3662

UDIN: F005533D000413721

Peer Review No: 640/2019

Place: Mumbai

Date: May 27, 2022

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS: F5533
CP: 3662
UDIN: F005533D000413721
Peer Review No: 640/2019
Place: Mumbai
Date: May 27, 2022

ANNEXURE 6 (ii) TO BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

***Report is subject to requirements as per Annexure B**

for the financial year ended March 31, 2022

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

NSE Clearing Limited,

Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (East), Mumbai 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NSE Clearing Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject

to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; (Foreign Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity)

- Regulations, 2021; (Not Applicable to the Company during the Audit Period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the Audit Period)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period) and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable to the Company during the Audit Period)

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018; (hereinafter "Listing Regulations")

We further report that having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018 which is specifically applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

1. The company faced a technical glitch on 01st November 2022, resulting in delay of Securities pay-out. NCL resumed operations beyond the stipulated time as provided under SEBI circular dated July 05, 2021 on "Guidelines on Standard Operating Procedure for the handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of Financial Disincentives". Further, the Company has followed SOP for handling technical glitch occurred and also transferred ₹ 1 Crs. towards Financial disincentive to the Core Settlement Guarantee Fund (Core SGF) of NCL.
2. Company Secretary has resigned from the services of the Company. The Nomination and Remuneration Committee and the Board of Directors of the Company accepted his resignation with effect from February 23, 2022 after following due procedure under the Company's Misconduct and Disciplinary Action Policy, on account Disciplinary Action.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner

FCS No. F6667

CP No. 6690

UDIN: F006667D000231639

Peer Review No: 640/2019

Place: Mumbai

Date: April 28, 2022

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure A

To,

The Members,

NSE Clearing Limited,

Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (East), Mumbai 400051

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.

Practicing Company Secretaries

Kumudini Bhalerao

Partner

FCS No. F6667

CP No. 6690

UDIN: F006667D000231639

Peer Review No: 640/2019

Place: Mumbai

Date: April 28, 2022

ANNEXURE 6 (iii) TO BOARD'S REPORT FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For The financial year ended March 31, 2022

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

NSE Investments Limited,

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex,

Bandra (East),

Mumbai 400051

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by NSE Investments Limited having CIN: U65999MH2013PLC240078 (hereinafter referred to as "the Company") for the financial year ended March 31, 2022.

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) our verification of the books, papers, minute books, scanned copies of minutes of Board and Committee meetings, soft copies 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 during the year ended 31st March, 2022 as well as before the date of 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 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 the Secretarial Audit.

We hereby report that in our opinion, during the audit period covering the year ended 31st March, 2022, the Company has:-

- (i) complied with the statutory provisions listed hereunder, and
- (ii) Board-processes and compliance mechanisms are in place to the extent, in the manner and subject to the reporting made hereinafter.

The 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 period 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; and
- (iv) 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 of the Company.

1.2. During the period under audit, and also considering the compliance related action taken by the Company after 31st March 2022 but before the date of 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 as mentioned under sub-paragraphs (i), (ii), (iii) and (iv) of paragraph 1.1 above.
- (ii) Generally complied with the applicable provisions/ clauses of:
The Act and rules mentioned under paragraph 1.1 (i);

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 (iv) above to the extent applicable to Board and Committee Meetings held during the year, the Compliance of the provisions of the Rules made under the Act [paragraph 1.1 (i)] and SS-1 [paragraph 1.1(iv) with regard to the Board meetings held through video conferencing/in person were verified based on the minutes of the meetings provided by the Company.

1.3. We are informed that, during 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:

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014,
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
- The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993,
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009,
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, and
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of foreign Direct Investments, Overseas Direct Investment and External Commercial Borrowings.

1.4. The Company has complied with the requirements of such laws/Regulations as are specifically applicable to it considering the nature of its business.

2. Board processes

We further report that

2.1 The Board of Directors of the Company (the Board) as on 31st March 2022 comprised of:

1. One Executive Director;
2. One Non-Executive-Woman Director; and
3. One Non-Executive Independent Director.

2.2 Adequate notice is given to all Directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013. Agenda and detailed notes on agenda were sent at least seven days in advance, and at shorter notice for urgency of Board approval on matters as applicable during the period under review for which consent of the Board was obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation by the directors at the meetings.

2.3 Decisions at Board and / or Committee meetings were generally carried through on the basis of majority of the Directors/ members present. There were no dissenting views by any member of the Board of Directors during the audit Period.

3. Compliance mechanism

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events / actions

We further report that during the audit period there is no specific material or event that has occurred during the year or which warrants our reporting except for the following:

- 1) The Company at its Board Meeting dated January 31, 2022, approved to increase the Authorised Share Capital and the consent of the shareholders for same was accorded at the Extra Ordinary General Meeting (EGM) held on March 14, 2022.
- 2) As per the terms and conditions relating to the issue of 6% Nine years Non-Cumulative Compulsorily Convertible Preference shares (NCCPS), the Board has approved the allotment of 22500000 Equity shares of ₹ 10 each fully paid to National Stock Exchange of India Limited, the Parent Company consequent upon the first tranche of conversion becoming due on March 15, 2022.

For BNP & Associates
Company Secretaries

[Firm Regn. No. P2014MH037400]

Kalidas Ramaswami
Partner

FCS 2440 / CP No. 22856

UDIN: F002440D000261501

PR No. 637/2019

Date: 04.05.2022

Place: Mumbai

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report

Annexure A

To,
The Members,
NSE Investments Limited,

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to NSE Investments Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BNP & Associates
Company Secretaries
[Firm Regn. No. P2014MH037400]

Kalidas Ramaswami
Partner

FCS 2440 / CP No. 22856
UDIN: F002440D000261501
PR No. 637/2019

Date: 04.05.2022
Place: Mumbai

ANNEXURE 7(i) TO BOARD'S REPORT

- i. Ratio of Remuneration of each director to the median remuneration of the employees of the Company for the financial year:

The ratio of remuneration of the Managing Director to the median remuneration of the employees of the Company for the financial year is 77.16x.

- 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% and 7% respectively.

*The Company Secretary was appointed with effect from from December 01, 2020, and for the financial year he was not eligible for the appraisal (i.e. increment cycle), hence no percentage increase in his remuneration.

- 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 1.17%.

- iv. The number of permanent employees on the rolls of the Company:

As on March 31, 2022, there are 1,197 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 7.63 % (14% including salary correction) in the last financial year. In FY 2021-22, apart from the performance based normal increment, salary correction was also given to all junior management employees whereas for middle management cadre, salary correction was on a case-to-case basis.

Note:

- a. KMPs under Companies Act and KMPs under SECC Regulations are considered as managerial personnel.
- b. Junior management is grade Senior Manager and below

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration is as per the remuneration policy of the Company.

ANNEXURE 7(ii) TO BOARD'S REPORT
STATEMENT PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

Sr. No.	Name & Qualifications	Age in years	Designation/ Nature of Duties	Remuneration Received (₹)		Experience (No. of years)	Date of Commencement of Employment	Last Employment
				Gross	Net			
1	Mr. Vikram Limaye MBA, CA # & \$	55	Managing Director & CEO	10,38,34,064	5,76,82,882	33	July 17, 2017	Managing Director & CEO, IDFC Limited
2	Mr. Ravi Varanasi B. Sc., CAIIB # & \$	59	Chief Business Development Officer	5,40,27,260	2,87,79,328	34	July 3, 1995	Senior Deputy Manager, The Vysya Bank Ltd.
3	Mr. Yatrik Vin M.Com, AICWA # & \$	55	Group CFO & Head Corporate Affairs	3,24,63,401	1,49,47,875	34	February 21, 2000	Manager (Finance & Accounts) Godrej & Boyce Mfg. Co. Ltd.
4	Mr. Nagendra Kumar SRVS PGDM \$	49	Chief Business Officer	2,65,27,439	1,28,56,213	27	July 16, 2009	Manager, Accenture India Ltd
5	Mr. Hari K. AICWA, ACS # &	55	Chief Business Officer	2,45,30,681	1,44,55,856	33	May 29, 1995	Cost Accountant, KCP Ltd.
6	Mr. Surov Ghosh Dip in LL&W, MPM # &	53	Group Head - Human Resource	2,04,90,857	1,31,72,861	28	November 2, 2017	Chief HR Officer - Textiles Aditya Birla Group
7	Ms. Priya Subbaraman LLB, ACS # & \$	51	Chief Regulatory Officer	2,04,39,679	1,32,38,990	25	February 1, 2018	Head - Compliance Standard Chartered Bank
8	Mr. Somasundaram K S B.E, PGDM # &	51	Chief Enterprise Risk & Info Security Officer	1,99,76,035	1,26,38,624	26	October 04, 2018	Senior President and Chief Compliance Officer, Yes Bank Limited
9	Mr. Shiv Kumar Bhasin B.E, M.TECH # &	51	Chief Technology & Operations Officer	1,95,99,552	1,30,40,879	20	January 02, 2019	Chief Technology Officer - State Bank of India
10	Mr. G. M. Shenoy B.E, M.F.M. # & \$ @	60	Chief Technology Officer - Ops, Trading	1,83,96,135	86,69,287	38	June 1, 2018	Chief Technology Officer - Ops, Trading, NSE Infotech Services Ltd.
11	Mr. Arijit Sengupta PGDBM	55	Senior Vice President	1,81,91,489	1,14,83,883	32	May 02, 2019	Group Head Global Communication & CSR, Wadhawan Global Capital
12	Mr. Mayur Sindhwad ICWA, ACS # & \$	47	Senior Vice President	1,81,90,094	1,20,36,077	26	June 1, 2009	Assistant Vice President Edelweiss Securities Ltd
13	Mr. M Vasudev Rao B. Com., LLB, FCS # &	54	Group General Counsel	1,71,08,665	1,06,67,071	30	November 1, 2012	Associate Vice President Bennett Coleman & Company Ltd.
14	Mr. Tirthankar Patnaik B.SC, PHD	46	Chief Economist	1,66,99,650	1,07,16,028	22	March 01, 2019	Chief Strategist & Head Of Research Mizuho Bank 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			
15	Mr. Deviprasad Singh \$ BE	51	Senior Vice President	1,65,89,323	1,10,51,941	28	June 01, 2018	Senior Vice President NSE Infotech Services Limited
16	Mr. Suprabhat Lala Bsc	55	Senior Vice President - CKYC & Mutual Funds	1,44,69,407	91,83,625	32	October 01, 2001	Senior Vice President Geojit Securitates Limited
17	Mr. Sanjay Sinha BTECH, EMBA	47	Vice President	1,38,77,877	88,40,350	26	February 21, 2013	Associate Director - P&T Management, KPMG
18	Ms. Nisha Subhash C.A # &	51	Senior Vice President	1,38,14,181	87,92,021	27	December 26, 1995	Equity Analyst, Kothari Share & Stock Brokers Private Limited
19	Mr. Viral Mody BE	45	Senior Vice President	1,25,98,231	79,60,725	24	June 01, 2018	Senior Vice President NSE Infotech Services Limited
20	Mr. Manjunath Kashi BE	54	Head - Cloud Infra, EDB & PRS	1,24,83,571	81,18,654	35	May 27, 2020	Chief Technology Officer Aviso Inc
21	Ms. Ishita Vora MBA, BBM	40	Vice President	1,21,13,048	78,39,575	20	January 27, 2015	General Manager Karvy Investment Banking
22	Mr. Vitthal More MMS, BE	51	Senior Vice President	1,19,91,300	74,64,477	27	April 01, 2010	Consultant, National Stock Exchange of India Limited
23	Mr. Mahesh Soparkar MBA, BE	52	Senior Vice President	1,12,39,301	63,22,662	28	June 01, 2018	Senior Vice President NSE Infotech Services Limited
24	Mr. Amit Bhobe B Tech	44	Vice President	1,06,93,986	67,25,102	22	December 08, 2008	Associate Manager Accenture Services Private Limited
25	Mr. Dinesh Soni M.B.A, Phd # &	49	Senior Vice President	1,03,19,169	66,96,771	26	October 31, 2014	Deputy General Manager Pension Fund Regulatory & Development Authority
26	Mr. Sheshadri Meda B.E # &	52	Head - Cyber & Info Security	1,01,60,205	67,17,752	29	June 01, 2018	Chief Information Security Officer NSE Infotech Services Limited
27	Mr. Rohit Gupte C.S #	51	Company Secretary	85,16,688	56,16,495	32	November 17, 2020	Vice President Deutsche Bank AG
28	Mr. Arvind Goyal # CA	50	Head - Trade Operations	82,60,712	49,75,975	24	September 01, 2004	Manager OTC Exchange of India Limited
29	Mr. Avishkar Naik CA, CS # &	43	Head - Listing Compliance	75,37,130	48,98,673	22	January 27, 2004	CA RV Kadrekar & Company

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			
30	Ms. Renu Bhandari MBA # &	49	Vice President	72,33,613	49,59,591	30	November 18, 1996	Junior Stenographer Delhi Stock Exchange Association
31	Mr. Sampath Manickam # @ Bsc (IT)	45	Head - IT Infrastructure & Network	66,65,900	45,73,208	21	January 14, 2022	Senior Vice President Jio Platforms Limited
32	Ms. Yukti Sharma CA # &	42	Vice President	55,58,641	37,61,271	19	January 22, 2008	Internal Audit Manager ICICI Lombard

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 ₹1,34,439, ₹15,12,605, ₹1,53,782, ₹1,85,327, ₹12,38,270, ₹51,781, ₹4,93,151, ₹6,53,870, ₹1,63,418, ₹5,58,201, ₹1,37,936, ₹24,09,803, ₹1,24,000, ₹1,61,720, ₹3,54,573, ₹3,31,249, ₹3,18,773, ₹3,66,916, ₹3,32,002, ₹4,16,798, ₹3,57,863, ₹2,22,161 was paid to Mr. Hari K, Mr. Ravi Varanasi, Mr. Nagendra Kumar SRVS, Mr. Mayur Sindhwar, Mr. Yatrik Vin, Mr. Seshadri Meda, Mr. M Vasudev Rao, Ms. Nisha Subhash, Mr. Dinesh Soni, Mr. Suprabhat Lala, Mr. Vikram Limaye, Mr. G M Shenoy, Ms. Renu Bhandari, Ms. Yukti Sharma, Mr. Avishkar Naik, Mr. Vitthal More, Mr. Amit Bhohe, Mr. Deviprasad Singh, Mr. Mahesh Soparkar, Mr. Viral Mody, Mr. Arvind Goyal and Mr. Sanjay Sinha respectively and interest on withheld variable pay of earlier years of ₹20,79,109, ₹6,58,458, ₹4,23,011, ₹17,26,737, ₹85,589, ₹6,43,317, ₹4,60,027 and ₹4,60,626 was paid to Mr. Ravi Varanasi, Mr. Yatrik Vin, Mr. Mayur Sindhwar, Mr. Vikram Limaye, Ms. Priya Subbaraman, Mr. Nagendra Kumar SRVS, Mr. Deviprasad Singh and Mr. G M Shenoy respectively. Mr. G M Shenoy was also paid ₹1,15,95,192 towards gratuity.
- Employees, whose names were marked with # are Key Management Personnel under SCR (SECC) Regulations, 2012 of SEBI. The remuneration of employee marked with & excludes 50% of their Variable Pay to be paid on deferred basis after 3 years. For employees marked with \$, remuneration received includes 50% variable pay pertaining to earlier period namely Mr. Ravi Varanasi (Gross ₹1,40,52,970 - Net ₹80,46,729), Mr. Yatrik Vin (Gross ₹29,53,487 - Net ₹18,01,627), Mr. Mayur Sindhwar (Gross ₹18,97,397 - Net ₹12,16,607), Mr. Vikram Limaye (Gross ₹77,45,206 - Net ₹44,34,596), Ms. Priya Subbaraman (Gross ₹3,83,904 - Net ₹2,46,164), Mr. Nagendra Kumar SRVS (Gross ₹1,00,99,044 - Net ₹61,60,414), Mr. Deviprasad Singh (Gross ₹70,49,358 - Net ₹45,20,048) and Mr. G M Shenoy (Gross ₹20,66,120 - Net ₹13,24,800). The remuneration of Mr. Ravi Varanasi, Nagendra Kumar SRVS and Mr. Deviprasad Singh includes ₹53,91,444, ₹19,14,891, ₹13,21,344 towards arrears of earlier years respectively.
- Other employees are in permanent employment of the company on contractual basis governed by the employment terms & conditions and service rules.
- 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.
- Employees whose name has been marked with @ were employed with the company for part of the year.

ANNEXURE 8

INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018

Sr. No	KMP Name	KMP Compensation - NSEIL		
		KMP Compensation	Median of Compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
1	Mr. Vikram Limaye # & \$	10,38,34,064	10,08,210	102.99
2	Mr. Ravi Varanasi # & \$	5,40,27,260	10,08,210	53.59
3	Mr. Yatrik Vin # & \$	3,24,63,401	10,08,210	32.20
4	Mr. Hari K # &	2,45,30,681	10,08,210	24.33
5	Mr. Saurov Ghosh # &	2,04,90,857	10,08,210	20.32
6	Ms. Priya Subbaraman # & \$	2,04,39,679	10,08,210	20.27
7	Mr. Somasundaram K S # &	1,99,76,035	10,08,210	19.81
8	Mr. Shiv Kumar Bhasin # &	1,95,99,552	10,08,210	19.44
9	Mr. G. M. Shenoy # & \$ @	1,83,96,135	10,08,210	18.25
10	Mr. Mayur Sindhwad # & \$	1,81,90,094	10,08,210	18.04
11	Mr. M Vasudev Rao # &	1,71,08,665	10,08,210	16.97
12	Ms. Nisha Subhash # &	1,38,14,181	10,08,210	13.70
13	Mr. Dinesh Soni # &	1,03,19,169	10,08,210	10.24
14	Mr. Sheshadri Meda # &	1,01,60,205	10,08,210	10.08
15	Mr. Rohit Gupte #	85,16,688	10,08,210	8.45
16	Mr. Arvind Goyal #	82,60,712	10,08,210	8.19
17	Mr. Avishkar Naik # &	75,37,130	10,08,210	7.48
18	Ms. Renu Bhandari # &	72,33,613	10,08,210	7.17
19	Mr. Sampath Manickam # @	66,65,900	10,08,210	6.61
20	Ms. Yukti Sharma # &	55,58,641	10,08,210	5.51

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 ₹1,34,439, ₹ 15,12,605, ₹ 1,85,327, ₹ 12,38,270, ₹ 51,781, ₹ 4,93,151, ₹ 6,53,870, ₹ 1,63,418, ₹ 1,37,936, ₹ 24,09,803, ₹ 1,24,000, ₹ 1,61,720, ₹ 3,54,573, ₹ 3,57,863 was paid to Mr. Hari K, Mr. Ravi Varanasi, Mr. Mayur Sindhwad, Mr. Yatrik Vin, Mr. Sheshadri Meda, Mr. M Vasudev Rao, Ms. Nisha Subhash, Mr. Dinesh Soni, Mr. Vikram Limaye, Mr. G M Shenoy, Ms. Renu Bhandari, Ms. Yukti Sharma, Mr. Avishkar Naik and Mr. Arvind Goyal respectively and interest on withheld variable pay of earlier years of ₹ 20,79,109, ₹6,58,458, ₹ 4,23,011, ₹ 17,26,737, ₹ 85,589 and ₹ 4,60,626 was paid to Mr. Ravi Varanasi, Mr. Yatrik Vin, Mr. Mayur Sindhwad, Mr. Vikram Limaye, Ms. Priya Subbaraman and Mr. G M Shenoy respectively. Mr. G M Shenoy was also paid ₹ 1,15,95,192 towards gratuity.
- 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. Ravi Varanasi (Gross ₹ 1,40,52,970 - Net ₹ 80,46,729), Mr. Yatrik Vin (Gross ₹ 29,53,487 - Net ₹ 18,01,627), Mr. Mayur Sindhwad (Gross ₹ 18,97,397 - Net ₹ 12,16,607), Mr. Vikram Limaye (Gross ₹ 77,45,206 - Net ₹ 44,34,596), Ms. Priya Subbaraman (Gross ₹ 3,83,904 - Net ₹ 2,46,164) and Mr. G M Shenoy (Gross ₹ 20,66,120 - Net ₹ 13,24,800). The remuneration of Mr. Ravi Varanasi includes ₹ 53,91,444 towards arrears of earlier years.
- Employees marked with @ were employed with the company for part of the year.



Financial





Section



Independent Auditor's Report

To the Members of

National Stock Exchange of India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of National Stock Exchange of India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate companies, which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate companies as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group and its associate companies in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with

these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 35 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 ₹687.47 crores (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the 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 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 Holding Company's Colocation facility has been completed and SEBI has levied penalty of ₹1 crore. The Holding Company has deposited ₹1,107.47 crores with SEBI in respect of these orders. The Holding Company has filed appeals to contest the aforesaid orders with the Hon'ble Securities Appellate Tribunal, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the 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 these matters.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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> [Refer Note 35 to the consolidated financial statements]</p> <p>As of March 31, 2022, the Holding Company has ongoing regulatory proceedings, inspections and inquiries with various regulatory authorities including SEBI (other than that described in the Emphasis of Matter paragraph above), ongoing proceedings with tax authorities involving certain direct and indirect tax matters including disallowance of certain expenses under income tax (uncertain tax positions), applicability of service tax on certain services, case filed by a competitor against the Holding Company under Competition Appellate Tribunal and various other ongoing litigations, including claims by its members.</p> <p>The Holding Company has assessed the above pending matters related to litigations, regulatory proceedings, inspections and inquiries and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements.</p> <p>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 testing the 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, SEBI and other regulatory proceedings, inspections, inquiries. • Examining 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 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>

6. The following Key Audit Matter was included in the audit report dated April 28, 2022, containing an unmodified audit opinion on the consolidated financial statements of NSE Clearing Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
<p><u>Legal matters and uncertain tax positions</u></p> <p>As of March 31, 2022, 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 33 and 34 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 our audit 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. • 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 35 to the consolidated financial statements.

Other Information

7. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our and other auditor’s report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies are responsible for assessing the ability of the Group and of its associate companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for overseeing the financial reporting process of the Group and of its associate companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. 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.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.
14. 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.
15. 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

16. We did not audit the financial statements of two subsidiaries and consolidated financial statements of two subsidiaries, whose financial statements reflect total assets of ₹19,825.68 crores and net assets of ₹4,799.20 crores as at March 31, 2022, total revenue of ₹2,007.09 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹762.38 crores and net cash flows amounting to ₹324.96 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹0.91 crores for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of one associate company whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included

in respect of these subsidiaries and one associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and one associate company, is based solely on the reports of the other auditors.

17. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹91.28 crores for the year ended March 31, 2022 as considered in the consolidated financial statements, in respect of five associate companies respectively, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid associate companies, is based solely on such unaudited financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2022 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 consolidated 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:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its associate companies – Refer Note 35 to the consolidated financial statements.
 - ii. The Group and its associate companies were not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group and its associate companies did not have any derivative contracts as at March 31, 2022 - Refer Note 53 to the consolidated financial statements.
 - iii. During the year ended March 31, 2022, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies incorporated in India. Refer Note 54 to the Consolidated Financial Statements.
 - iv. (a) The respective Management of the Holding Company, its subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate companies respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and associate companies to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 55 (vi) to the consolidated financial statements.
 - (b) The respective Management of the Holding Company, its subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate companies respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries and associate companies from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether

recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate companies shall, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 55 (vi) to the consolidated financial statements.

- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors’ notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The dividend declared and paid during the year by the Holding Company, its subsidiaries and associate companies is in compliance with Section 123 of the Act.

20. The Group and its associate companies have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

UDIN: 22105869AIMUHE5438

Place: Mumbai

Date: May 06, 2022

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, 2022

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, 2022, 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 associate companies, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note

issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were

operating effectively as at March 31, 2022, 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 issued by the ICAI.

Other matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to financial statements of two subsidiaries, consolidated financial statements of two subsidiaries and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.
10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include the reporting of five associate companies, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Holding Company's Management, the financial information of these five associate companies are not material to the Group. Our opinion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

UDIN: 22105869AIMUHE5438

Place: Mumbai

Date: May 06, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone and consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors' report	Paragraph number and comment in the respective CARO report reproduced below
1.	NSE Clearing Limited	U67120MH1995PLC092283	Subsidiary	April 28, 2022	3.(xi) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year except for falsification of records pertaining to expense claims of ₹1,44,605/- by a Key Managerial Personnel, the same has been fully recovered by the company.
2.	Talentsprint Private Limited	U80902TG2008PTC062284	Subsidiary	April 21, 2022	3(ix) (d) According to the information and explanations given to us and on the basis of records examined by us and the procedure performed by us, and on an overall examination of the standalone financial statements of the Company, we report that the company has used funds raised on short-term basis aggregating to ₹37.75 lakhs for the Long-term purposes (investment in subsidiary).

The statutory audit report on the financial statements for the year ended March 31, 2022 of five associate companies of the Holding Company has not been issued until the date of this report. Accordingly, no comments for the said associate companies have been included for the purpose of reporting under this clause.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

UDIN: 22105869AIMUHE5438

Place: Mumbai

Date: May 06, 2022

Consolidated Balance Sheet as at March 31, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-current assets			
Property, plant and equipment	2 a	964.84	704.96
Right of use assets	2 b	165.82	127.08
Capital work-in-progress	2 a	90.54	10.69
Goodwill	3	410.89	395.93
Other intangible assets	3	88.80	80.17
Intangible assets under development	3	67.16	36.06
Investment in associates accounted for using the equity method	39	563.71	466.66
Financial assets			
- Investments	4	4,915.59	4,142.06
- Other financial assets			
Non-current bank balances	5	289.35	1,549.92
Others	5	13.59	26.84
Income tax assets (net)	21	498.20	514.36
Deferred tax assets (net)	19 (c)	20.42	5.50
Other non-current assets	7	1,129.46	720.38
Total non-current assets		9,218.37	8,780.61
Current assets			
Financial assets			
- Investments	9	7,941.67	5,220.42
- Trade receivables	10	1,614.95	998.58
- Cash and cash equivalents *	11	9,557.18	9,169.07
- Bank balances other than cash and cash equivalents *	12	6,765.56	4,288.48
* Includes ₹8,563.11 crores (Previous Year : ₹8,296.97 crores) pertaining to settlement obligation and margin money from members			
- Other financial assets	6	278.59	563.38
Other current assets	8	230.68	185.10
Total current assets		26,388.63	20,425.03
TOTAL ASSETS		35,607.00	29,205.64
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13 a	49.50	49.50
Other equity	13 b	15,360.93	11,586.43
Equity attributable to owners of National Stock Exchange of India Limited		15,410.43	11,635.93
Non controlling interest	13 b	7.85	0.02
Total Equity		15,418.28	11,635.95
SETTLEMENT GUARANTEE FUND			
- Core settlement guarantee fund paid	37	3,982.02	3,538.58
- Core settlement guarantee fund payable	37	23.10	4.24
- Settlement guarantee fund paid - commodity derivatives	37	250.00	250.00
		4,255.12	3,792.82

Consolidated Balance Sheet (contd...)

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
INVESTOR PROTECTION FUND	41 b	0.11	0.11
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	38	97.09	54.03
- Other financial liabilities	15	118.40	12.96
Provisions	17 a	52.70	30.92
Deferred tax liabilities (net)	19 (c)	137.90	118.27
Contract liabilities	17 b	58.11	21.23
Other non-current liabilities	22	5.41	5.41
Total non-current liabilities		469.61	242.82
Current liabilities			
Financial liabilities			
- Lease liabilities	38	17.59	16.80
- Deposits	24	2,323.63	1,980.38
- Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		7.99	1.78
Total outstanding dues of creditors other than micro enterprises and small enterprises		341.22	238.72
- Other financial liabilities*	16	9,247.15	8,517.75
* Includes ₹8,563.11 crores (Previous Year : ₹8,296.97 crores) pertaining to settlement obligation and margin money from members			
		11,937.58	10,755.43
Provisions	18 a	128.08	89.12
Contract liabilities	18 b	2.69	1.08
Income tax liabilities (net)	20	302.18	239.30
Other current liabilities	23	3,093.35	2,449.01
Total current liabilities		15,463.88	13,533.94
TOTAL LIABILITIES		15,933.49	13,776.76
TOTAL EQUITY AND LIABILITIES		35,607.00	29,205.64
Summary of significant accounting policies	1		
The above consolidated balance sheet should be read in conjunction with the accompanying notes			

This is the Consolidated Balance sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 06, 2022

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupta

Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
INCOME			
Revenue from operations	25	8,929.48	5,624.82
Other income	26	570.16	577.51
Total income		9,499.64	6,202.33
EXPENSES			
Employee benefits expense	27	689.70	479.84
Depreciation and amortisation expense	2(a), 2(b), 3	338.36	226.01
Other expenses	28	1,740.52	1,004.30
Total expenses		2,768.58	1,710.15
Profit before Exceptional items, Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax		6,731.06	4,492.18
Share of net profits of associates accounted for using equity method	39	90.28	65.90
Profit before Exceptional items, Contribution to Core SGF and Tax		6,821.34	4,558.08
Exceptional items			
Contribution to Investor Protection Fund Trust	49	-	(1,822.05)
Profit on sale of investment in Computer Age Management Services Limited	39.2	-	1,735.09
Profit on sale of investment in Power Exchange of India Limited	39.3	1.62	-
Reversal of provision / (Provision) for Impairment of Intangible assets under development	52	68.23	(68.23)
Settlement compensation towards cancellation of contracts	52	21.10	-
Profit after Exceptional items before Contribution to Core SGF and Tax		6,912.29	4,402.89
Reversal / (Contribution) to Core SGF	50	-	62.08
Profit before Tax		6,912.29	4,464.97
Less: Income Tax expense			
Current tax expense	19 (a)	1,701.59	901.78
Deferred tax expense / (benefit)	19 (a)	12.41	(10.23)
Total tax expenses		1,714.00	891.55
Net Profit after Tax (A)		5,198.29	3,573.42
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Changes in fair value of FVOCI debt instruments	13 b	(16.85)	7.41
Changes in foreign currency translation reserve	13 b	3.46	(2.28)
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	13 b	4.24	(1.87)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	13 b	(2.63)	(0.49)
Share of other comprehensive income of associates accounted for using the equity method	13 b	0.70	(1.33)
Changes in fair value of FVOCI equity instruments	13 b	(6.36)	4.52

Consolidated Statement of Profit and Loss *(contd...)*

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	13 b	0.56	0.26
Share of other comprehensive income of associates accounted for using the equity method	13 b	(0.14)	0.33
Changes in fair value of FVOCI equity instruments	13 b	2.50	(0.09)
Total other comprehensive income / (loss) for the year, net of taxes (B)		(14.52)	6.46
Total comprehensive income for the year (A+B)		5,183.77	3,579.88
Profit is attributable to :			
Owners of National Stock Exchange of India Limited		5,194.97	3,573.72
Non-Controlling Interests		3.32	(0.30)
Other comprehensive income/(loss) is attributable to :			
Owners of National Stock Exchange of India Limited		(14.49)	6.44
Non-Controlling Interests		(0.03)	0.02
Total comprehensive income is attributable to :			
Owners of National Stock Exchange of India Limited		5,180.48	3,580.16
Non-Controlling Interests		3.29	(0.28)
Earnings per equity Share (EPS) (FV ₹1 each)	29		
Basic & Diluted (₹)		104.95	72.20
Summary of significant accounting policies	1		
The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes			

This is the Consolidated Statement of Profit & loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 06, 2022

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(₹ in Crores)	
(A) Equity share capital	
Balance as at 01.04.2020	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2021	49.50
Changes in equity share capital during the year	-
Balance as at 31.03.2022	49.50

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 reserves**	Total Reserves and Surplus	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income				Foreign Currency Translation Reserve	Total other reserves
Balance as at 01.04.2020	35.50	8,237.93	1.26	131.08	63.89	8,469.66	8.47	82.18	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/ (loss)	-	(1.25)	-	-	-	(1.25)	5.54	4.43	(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	14.01	86.61	9.17	109.79	11,586.43	0.02	11,586.45

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(₹ in Crores)

Particulars	Reserves and Surplus				Total 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**	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Foreign Currency Translation Reserve				Total other reserves
Balance as at 01.04.2021	35.50	10,885.73	1.00	490.52	63.89	11,476.64	14.01	86.61	9.17	109.79	11,586.43	0.02	11,586.45
Profit for the year	-	5,194.97	-	-	-	5,194.97	-	-	-	-	5,194.97	3.32	5,198.29
Other Comprehensive income/ (loss)	-	(1.48)	-	-	-	(1.48)	(12.61)	(3.86)	3.46	(13.01)	(14.49)	(0.03)	(14.52)
Redemption liability	-	(181.29)	-	-	-	(181.29)	-	-	-	-	(181.29)	-	(181.29)
Share based payment	-	0.44	-	-	-	0.44	-	-	-	-	0.44	-	0.44
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(10.78)	10.78	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/payable	-	10.78	(10.78)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(44.66)	-	44.66	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners													
Dividend paid	-	(1,225.13)	-	-	-	(1,225.13)	-	-	-	-	(1,225.13)	-	(1,225.13)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	4.54	4.54
Balance as at 31.03.2022	35.50	14,628.58	1.00	535.18	63.89	15,264.15	1.40	82.75	12.63	96.78	15,360.93	7.85	15,368.78

Particulars	31.03.2022	31.03.2021
* 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

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(B) 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.

Equity instruments through Other Comprehensive Income:

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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.

Liquidity enhancement scheme incentive reserve:

One of the subsidiary has created Liquidity enhancement scheme incentive reserve in accordance with the IFSC Authority circular dated March 31,2022 which has issued guidelines for Liquidity Enhancement Scheme. Accordingly the subsidiary has created a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme.

Foreign Currency Translation Reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

This is the Consolidated Statement of changes in equity referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 06, 2022

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Statement of Consolidated Cash Flows for the year ended March 31, 2022

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	6,912.29	4,464.97
Adjustments for		
Depreciation and amortisation expense	338.36	226.01
Interest income from financial assets at amortised cost	(168.04)	(113.38)
Income from investments	(256.07)	(276.56)
Interest income from investments designated at FVOCI	(55.65)	(36.12)
Rental income	(3.05)	(6.14)
Dividend income from equity investments designated at FVOCI	(0.59)	(0.69)
Net gain on financial assets mandatorily measured at FVPL	(252.82)	(210.90)
Net gain on sale of financial assets measured at FVOCI	-	(5.45)
Net gain on sale of investments measured at amortised cost	-	(9.73)
Net gain on sale of financial assets mandatorily measured at FVPL	(66.94)	(175.46)
Profit on sale of investment in Computer Age Management Services Limited	-	(1,735.09)
Profit on sale of investment in Power Exchange of India Limited	(1.62)	-
Net (gain) / loss on disposal of property, plant and equipment	(0.25)	-
Doubtful debts written off	8.29	8.40
Provision for doubtful debts	21.92	3.10
Reversal/ (Provision) for Impairment of Intangible assets under development	(68.23)	68.23
Settlement compensation towards cancellation of contracts	(21.10)	-
Loss on sale of discarded assets	0.18	
Share of net profit of associates accounted by using equity method	(90.28)	(65.90)
Interest on lease liabilities	8.90	6.62
Others	-	(2.27)
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(646.58)	(357.98)
Increase/(Decrease) in trade payables	108.71	74.04
(Increase)/Decrease in other financial assets	37.81	(7.88)
(Increase)/Decrease in other assets	(454.37)	4.78
Increase/(Decrease) in other financial liabilities	559.27	(448.67)
Increase/(Decrease) in provisions	58.11	(2.39)
Increase/(Decrease) in other liabilities	680.44	1,923.22
(Refund) / Proceeds of deposits	343.25	96.37
Change in core settlement guarantee fund	462.30	345.18
CASH GENERATED FROM OPERATIONS	7,454.24	3,766.31
Income taxes paid	(1,622.55)	(862.05)
NET CASH INFLOW FROM OPERATING ACTIVITIES - TOTAL (A)	5,831.69	2,904.26

Statement of Consolidated Cash Flows (contd...)

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangibles assets	(599.64)	(377.62)
Proceeds from property, plant and equipment and intangibles assets	90.87	0.42
Proceeds from rental income	3.05	6.14
(Payment) / proceeds from investments (Net)	(3,194.83)	(2,630.82)
Proceeds from sale of investment in Computer Age Management Services Limited	-	2,175.08
Proceeds from sale of investment in Power Exchange of India Limited	1.62	-
(Payment) / proceeds from investments in deposits with financial institutions (Net)	193.57	2.06
Payment for acquisition of subsidiary (net of cash acquired)	(13.52)	(257.03)
Payment for investment in associates	(20.00)	(23.00)
(Payment) / proceeds from fixed deposits / Bank balances other than cash & cash equivalents (Net)	(1,216.51)	(1,810.18)
Interest received	555.71	463.30
Dividend received (including dividend from associate companies)	14.41	49.32
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES - TOTAL (B)	(4,185.27)	(2,402.33)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,224.97)	(544.50)
Acquisition of non controlling interest in subsidiary	(4.09)	(5.70)
Payment of lease liabilities	(20.35)	(13.94)
Interest on lease liabilities	(8.90)	(6.62)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)	(1,258.31)	(570.76)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	388.11	(68.83)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR *	9,169.07	9,237.90
CASH AND CASH EQUIVALENTS AT END OF THE YEAR *	9,557.18	9,169.07
<i>* Includes amount received from members towards settlement obligation and margin money.</i>		
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	388.11	(68.83)
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balances with banks :-		
Deposits with original maturity of less than three months	7.70	40.64
In current accounts	9,549.47	9,128.40
Cash on hand	0.01	0.03
Balances per statement of cash flows	9,557.18	9,169.07
Non-cash investing activities		
- Acquisition of Right-of-use assets	64.18	-
- Redemption liability	181.29	-

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 06, 2022

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Notes to consolidated financial statements for the year ended March 31, 2022

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

The National Stock Exchange of India Limited (“NSE” or “the Parent Company”) established in 1992 is the first demutualized 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 (Refer Note 39-Interests in other entities which represents business activities of the Group’s subsidiaries).

The consolidated financial statements relates to the Parent Company, its subsidiary companies (collectively referred to as “the Group”) and associates.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements (“financial statements”). These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Group has determined current and non-current classification of its assets and liabilities in the financial statements as per Ind AS 1 – ‘Presentation of financial statements’. Based on its assessment, the Group has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

These consolidated financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

The financial statements for the year ended March 31, 2022 has been approved by the Board of directors of the Company in their meeting held on May 6, 2022.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Notes to consolidated financial statements for the year ended March 31, 2022

(iii) Principles of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

iii) Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post - acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note (h) below

v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

Notes to consolidated financial statements for the year ended March 31, 2022

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Adoption of new Accounting Standards

The following new standards and amendments are effective for the first time for the period commencing April 1, 2021:

- Extension of COVID-19 related rent concessions – amendments to Ind AS 116;
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments.

The amendments listed above did not have any impact on the amounts recognised in prior periods and current period.

Additionally, during the current year ended March 31, 2022 the Group has complied with amendments to the schedule III - Division II notified by Ministry of Corporate Affairs vide notification dated March 24, 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

Notes to consolidated financial statements for the year ended March 31, 2022

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 recognized 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 includes 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 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 services 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 including revenue from colocation charges 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.

Notes to consolidated financial statements for the year ended March 31, 2022

(d) Inventory

The Inventory is valued at cost or net realisable value whichever is lower. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Group's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

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.

Notes to consolidated financial statements for the year ended March 31, 2022

(f) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at that date at which the lease asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of the contract. Ind AS 116 defines a lease as a contract, or a part of a contract, that conveys the right of use an asset (the underlying asset) for a period of time in exchange of consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes 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 recognizes 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 recognized 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 recognized 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 recognizes 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

Notes to consolidated financial statements for the year ended March 31, 2022

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business consideration is achieved in stages, the acquisition date carrying value of the acquirers previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life and intangibles under development are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units).

Non-financial assets 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 amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

(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

Notes to consolidated financial statements for the year ended March 31, 2022

investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Group commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset 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 other income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in 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 financial assets 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.

Notes to consolidated financial statements for the year ended March 31, 2022

(iv) *Impairment of financial assets*

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is de-recognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) *Income recognition*

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

(l) *Financial liabilities*

(i) *Classification as debt or equity*

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(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 at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in the Consolidated statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

Notes to consolidated financial statements for the year ended March 31, 2022

(iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(m) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(o) Property, plant and equipment (including Capital Work In Progress)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment & installations	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
Vehicles	8 years

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.

Notes to consolidated financial statements for the year ended March 31, 2022

(p) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is accounted as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

(q) Intangible assets

(i) Goodwill:

Goodwill on acquisitions of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

(ii) Other intangible assets:

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Research expenditure and development expenditure that do not meet the above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

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.

Notes to consolidated financial statements for the year ended March 31, 2022

(s) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

At the end of each reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at a future date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(t) Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

(u) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Short term employee benefits are recognised in the statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the 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.

Notes to consolidated financial statements for the year ended March 31, 2022

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' 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.

Notes to consolidated financial statements for the year ended March 31, 2022

(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.

(r) Settlement guarantee fund

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. The Parent company contributes 25% of its annual profits along with its clearing corporation subsidiary, National Securities Clearing Corporation Limited contributes amounts pertaining to Minimum Required Corpus to the Core Settlement Guarantee Fund, which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund/ Core Settlement Guarantee Fund by the Parent Company is recorded as an expense in the Consolidated Statement of Profit and Loss and contribution by its clearing corporation subsidiary is recorded as an appropriation from Group's retained earnings and such amounts are separately disclosed as Core Settlement Guarantee Fund in the Consolidated balance sheet.

Trades executed on the exchange platform are cleared and settled by the clearing corporations under interoperability framework prescribed by SEBI. Post interoperability, the exchange is required to proportionately contribute to Core SGF of the clearing corporations, namely NSE Clearing Limited (NCL), Indian Clearing Corporation Limited (ICCL) and Metropolitan Clearing Corporation of India Limited (MCCIL) which clears and settles the trades of the exchange.

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).

Settlement guarantee fund- Commodity Derivatives

As required by SEBI, an amount of ₹250 crores has been earmarked by NCL towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, NCL has also earmarked investments amounting to ₹250 crores towards the same.

(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

Notes to consolidated financial statements for the year ended March 31, 2022

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 35

Estimation of provision for claims under IPFT Note 49

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(ad) Recently issued Accounting Pronouncements

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022.

Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

These amendments are not expected to have a material impact on the Group’s financial statements in the current or future reporting periods and on foreseeable future transactions.

Notes to consolidated financial statements for the year ended March 31, 2022

Note 2(a) : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Owned building (Refer note 2.1)	Office equipments	Electrical equipment & installations	Furniture & Fixtures	Trading systems	Computer systems-office automation	Computer systems-others	Tele-communication systems	Clearing and settlement system	Vehicles	Total	Capital work in progress
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
Gross carrying amount													
Cost as at 01.04.2021	32.21	186.68	119.89	119.15	74.92	111.84	43.96	555.16	305.56	50.54	0.00	1,599.91	10.69
Additions	-	0.53	16.68	18.70	3.20	26.48	6.13	207.77	208.63	40.12	-	528.24	544.08
Disposals	-	-	(0.35)	(0.32)	(0.23)	(2.20)	(0.10)	(0.58)	(0.64)	(0.40)	-	(4.82)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(464.23)
Currency Fluctuation	-	-	0.19	0.15	0.20	-	0.01	0.75	0.28	-	-	1.58	-
Closing gross carrying amount	32.21	187.21	136.41	137.68	78.09	136.12	50.00	763.10	513.83	90.26	0.00	2,124.91	90.54
Accumulated depreciation													
Accumulated depreciation as at 01.04.2021	-	50.40	89.65	70.91	49.51	92.38	34.91	282.81	199.10	25.28	0.00	894.95	-
Depreciation charge for the year	-	4.08	21.42	23.68	9.13	9.74	5.83	114.29	65.95	13.59	-	267.71	-
Disposals	-	-	(0.30)	(0.14)	(0.22)	(1.75)	-	(0.38)	(0.49)	(0.25)	-	(3.53)	-
Currency Fluctuation	-	-	0.09	0.04	0.01	-	0.01	0.62	0.17	-	-	0.94	-
Closing Accumulated depreciation	-	54.48	110.86	94.49	58.43	100.37	40.75	397.34	264.73	38.62	0.00	1,160.07	-
Net carrying amount as at 31.03.2022	32.21	132.73	25.55	43.19	19.66	35.75	9.25	365.76	249.10	51.64	0.00	964.84	90.54

Note 2.1 : Includes investment property for which cost and fair value details are as follows:

Particulars	31.03.2022	31.03.2021
Net carrying amount of investment property	5.38	6.67
Fair value of investment property (Refer Note 2.3)	39.32	93.40
Depreciation	0.15	0.17
Rental income	2.96	6.07
Direct operating expenses	(0.54)	(0.58)

(₹ in Crores)

Notes to consolidated financial statements for the year ended March 31, 2022

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

	Goodwill	Other intangible assets			Intangible assets under development
		Computer software	Software copyrights	Total	
Gross carrying amount					
Cost as at 01.04.2020	128.56	372.66	2.59	375.25	80.11
Additions (Refer Note no. 46)	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
Gross carrying amount					
Cost as at 01.04.2021	395.93	397.24	2.59	399.83	104.29
Additions (Refer Note no. 46)	14.96	54.47	0.34	54.81	70.17
Disposals/written off	-	(0.10)	-	(0.10)	(68.94)
Transfers	-	-	-	-	(38.36)
Currency Fluctuation	-	(0.15)	-	(0.15)	-
Closing gross carrying amount	410.89	451.46	2.93	454.39	67.16
Accumulated amortisation					
Accumulated amortisation as at 01.04.2021	-	317.07	2.59	319.66	(68.23)
Amortisation charge during the year	-	45.91	-	45.91	-
Disposals	-	-	-	-	-
Currency Fluctuation	-	0.02	-	0.02	-
Reversal of Provision for Impairment of Intangible assets under development (Refer Note no 52)	-	-	-	-	68.23
Closing Accumulated amortisation	-	363.00	2.59	365.59	-
Net carrying amount as at 31.03.2022	410.89	88.46	0.34	88.80	67.16

Note 3.1 : Capital and other Contractual Commitment Refer Note 34

Note 3.2 : Significant estimate: Useful life of intangible assets

As at March 31, 2022, the net carrying amount of computer software was ₹88.46 crores (March 31, 2021: ₹80.17 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.

Notes to consolidated financial statements for the year ended March 31, 2022

Note 3 : INTANGIBLE ASSETS (contd...)

Note 3.3 : Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment. The goodwill of ₹65.59 crores relates to the index licensing services business of the Group, ₹1.76 crores relates to datafeed services, ₹66.52 crores relates to IT security services, ₹11.08 crores relates to IT Cloud services, ₹140.20 crores relates to data terminal services and ₹125.74 crores relates to skill development and training programme services businesses of the Group. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The Group has carried out annual goodwill impairment assesment as at March 31, 2022 and March 31, 2021. 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, 2022 and March 31, 2021. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating units.

Note 3.4 : Ageing of Intangible assets under development

(₹ in Crores)

Description	Amount of Intangible assets under development as on March 31, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	42.47	23.80	0.65	-	66.92
(ii) Projects temporarily suspended	0.24	-	-	-	0.24
Total	42.71	23.80	0.65	-	67.16

(₹ in Crores)

Description	Amount of Intangible assets under development as on March 31, 2021				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	31.34	1.54	-	2.60	35.48
(ii) Projects temporarily suspended	-	-	0.58	-	0.58
Total	31.34	1.54	0.58	2.60	36.06

Note: 3.5 : For computer software under development, whose completion is overdue or exceeded its cost compared to its original plan, the projectwise details of when the project is expected to be completed is given below as of March 31, 2022.

(₹ in Crores)

Description	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
i) Process Transformation Projects	8.57	-	-	-	8.57
ii) Blockchain Development	-	1.06	-	-	1.06

There were no Projects overdue or projects which exceeded its cost compared to its original plan as of March 31, 2021.

Notes to consolidated financial statements for the year ended March 31, 2022

Note 4 : NON-CURRENT INVESTMENTS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Investments in quoted equity instruments at FVOCI	0.71	0.76
Investments in unquoted equity instruments at FVOCI	130.87	127.19
Investments in quoted exchange traded funds at FVPL	-	11.14
Investments in quoted tax free bonds at amortised cost (Refer Note 4.1)	609.47	720.09
Investments in quoted taxable bonds at amortised cost (Refer Note 4.1)	780.23	485.12
Investments in quoted government securities at FVOCI (Refer Note 4.2)	1,111.87	544.65
Investments in quoted government securities at amortised cost	5.07	-
Investments in unquoted mutual funds at FVPL (Refer Note 4.3)	2,277.37	2,253.11
Total	4,915.59	4,142.06
Aggregate Book value - Quoted Investments	2,507.35	1,761.76
Aggregate Book Value - Unquoted Investments	2,408.24	2,380.30
Aggregate Market Value of Quoted Investments	2,576.37	1,853.09

- 4.1 The Investments as on March 31, 2021 includes investment in Tax free bonds ₹678.38 crores, investment in Taxable bonds ₹485.12 crores and investment in government securities ₹544.65 crores were earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 35(b)].
- 4.2 Earmarked amount of ₹5.07 crores pertaining to Core SGF is included in investments in quoted government securities at amortised cost.
- 4.3 During the previous year, NSE Academy Limited (NAL) had entered into a Share Purchase Agreement for acquisition of Talentsprint Private 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 had 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 included in investments in unquoted mutual funds at FVPL.

Notes to consolidated financial statements for the year ended March 31, 2022

Note 5 : OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Non-current bank balances		
Fixed deposits with maturity for more than 12 months (Refer note 5.2)	176.91	656.96
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	98.40	97.24
Earmarked fixed deposits with maturity for more than 12 months towards Core settlement guarantee fund	14.04	771.03
Earmarked fixed deposits with maturity for more than 12 months towards Core settlement guarantee fund - commodity derivatives	-	24.69
Total (a)	289.35	1,549.92
Others		
Security deposit for utilities and premises	6.26	4.89
Interest accrued on bank deposits & tax free bonds (Refer note 5.3)	6.90	14.37
Interest accrued on bank deposits towards Core settlement guarantee fund	0.38	7.53
Other receivables	0.05	0.05
Total (b)	13.59	26.84

5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.

5.2 The previous year amount include an amount of ₹500.54 crores transferred in a separate bank account towards transaction charges and colocation services which have been subsequently invested in fixed deposits with banks and were earmarked/ restricted based on SEBI directives [Refer Note 35(b)]

5.3 The previous year amount include an amount of ₹13.97 crores on bank deposits and tax free bonds pertaining to Colocation and were earmarked/ restricted based on SEBI directives. [Refer Note 35(b)]

Note 6 : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Security deposit for utilities and premises	5.38	0.67
Interest accrued on bank deposits & tax free bonds (Refer note 6.2)	99.72	93.22
Interest accrued on bank deposits towards Core Settlement Guarantee Fund	44.00	111.84
Contract Assets	-	33.06
Deposit with financial institution at amortised cost (Refer note 6.1)	115.38	308.95
Receivables from related party (Refer Note 32)	0.28	1.28
Other receivables	13.83	14.36
	278.59	563.38

6.1 The previous year amount 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 were earmarked/ restricted based on SEBI directives. [Refer Note 35(b)]

6.2 The previous year amount include an amount of ₹10.00 crores on bank deposits and tax free bonds pertaining to Colocation and were earmarked/ restricted based on SEBI directives. [Refer Note 35(b)]

Notes to consolidated financial statements for the year ended March 31, 2022

Note 7 : OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Capital advances	3.52	7.44
Prepaid expenses	5.52	13.44
Securities Transaction Tax paid (Refer note 7.1)	10.60	10.60
Other receivables	2.35	1.43
Deposit with SEBI - Colocation (Refer Note 35(b))	1,107.47	687.47
	1,129.46	720.38

7.1 Securities Transaction Tax ("STT") paid represents amounts recovered by tax authorities towards STT, interest and penalty thereon recoverable from few members and ad-hoc STT, interest and penalty thereon which is disputed by the Company. The Company has recovered an amount of ₹5.41 crores against the STT paid to tax authorities from the respective members and which is held as deposit and disclosed under other non current liabilities. (Refer note no. 22).

Note 8 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Other Advance recoverable	18.58	16.90
Balances with statutory authorities	97.71	88.72
Prepaid expenses	106.74	72.94
Other receivables	7.65	6.54
	230.68	185.10

Note 9 : CURRENT INVESTMENTS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Investments in quoted tax free bonds at amortised cost	106.11	26.14
Investments in quoted government securities at FVOCI	719.87	-
Investments in quoted government securities at amortised cost	176.31	-
Investments in quoted mutual funds at FVPL	504.16	182.68
Investments in unquoted mutual funds at FVPL	6,435.22	5,011.60
Total	7,941.67	5,220.42
Aggregate Book value - Quoted Investments	1,506.45	208.82
Aggregate Book Value - Unquoted Investments	6,435.22	5,011.60
Aggregate Market Value of Quoted Investments	1,509.40	209.39
Aggregate amount of impairment in the value of investments (refer note 9.5)	80.13	80.13

9.1 The Investments as on March 31, 2021 includes investment in Tax free bonds ₹22.71 crores and investment in mutual funds ₹2,377.11 crores which were earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 35(b)].

9.2 Earmarked amount of ₹176.31 crores pertaining to Core SGF is included in investments in quoted government securities at amortised cost as at March 31, 2022 and ₹Nil as at March 31, 2021

9.3 Earmarked amount of ₹95.04 crores pertaining to SGF-Commodity Segment is included in investments in unquoted mutual funds at FVPL as at March 31, 2022 and ₹50.95 crores as at March 31, 2021

9.4 The investments in mutual funds includes ₹16.26 crores (March 31, 2021: ₹11.41 crores) invested from contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

9.5 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 recognized impairment loss of ₹80.13 crores on such financial assets in the profit and loss account in the financial year 2018-19.

Notes to consolidated financial statements for the year ended March 31, 2022

Note 10 : TRADE RECEIVABLES (contd...)

Ageing of Trade Receivables as on March 31, 2021

(₹ in Crores)

Description	Outstanding for following periods from the due date						Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 year	
Undisputed Trade Receivables – Secured considered good	822.44	122.10	15.37	5.08	0.01	1.40	966.40
Undisputed Trade Receivables – Unsecured considered good	-	11.87	13.07	8.32	-	5.39	38.65
Undisputed Trade Receivables – which have significant increase in credit risk	-	0.05	0.66	0.59	0.15	6.78	8.23
Undisputed Trade Receivables – credit impaired	-	-	0.65	1.57	1.29	6.76	10.28
Total	822.44	134.02	29.76	15.56	1.45	20.33	1,023.56
Less: Allowance for doubtful debts							(24.97)
Total							998.58

Note 11 : CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Balances with banks :-		
Deposits with original maturity of less than three months	7.70	40.64
In current accounts	710.26	417.70
Balance held for the purpose of meeting short term cash commitments (Refer note 11.1)	8,839.21	8,710.70
Cash on hand	0.01	0.03
	9,557.18	9,169.07

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. (Refer note 16).

Notes to consolidated financial statements for the year ended March 31, 2022

Note 12 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
<i>Restricted Balances with banks :</i>		
In current accounts (Refer note 41(b) and 12.4)	47.45	19.15
In current account towards Core settlement guarantee fund	2,927.72	192.02
<i>Fixed deposits</i>		
- with original maturity for more than 3 months but less than 12 months	398.67	111.02
- with maturity of less than 12 months at the balance sheet date (Refer note 12.3)	1,190.27	1,153.97
<i>Certificate of deposits with banks:</i>	762.42	-
<i>Earmarked Fixed Deposits:</i>		
- with original maturity for more than 3 months but less than 12 months (Refer note 12.1 & 12.2)	121.58	43.44
- with original maturity for more than 3 months but less than 12 months towards SGF for commodity Segment	154.96	174.36
- with maturity of less than 12 months at the balance sheet date towards Core settlement guarantee fund	783.10	2,402.44
- with maturity of less than 12 months at the balance sheet date (Refer note 12.2)	379.23	192.08
Unpaid dividends	0.16	-
	6,765.56	4,288.48

12.1 The amount includes ₹16.86 crores (Previous Year : ₹10.70 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 The previous year amount include an amount of ₹700.85 crores transferred in a separate bank account towards transaction charges and colocation services which have been subsequently invested in fixed deposits with banks and were earmarked/restricted based on SEBI directives [Refer Note 35(b)]

12.4 The previous year amount include an amount of ₹17.48 crores pertaining to Colocation [Refer Note 35(b)] and ₹1.55 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, 2022

Note 13 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Authorised		
50,00,00,000 Equity Shares of ₹1 each.		
(Previous year: 50,00,00,000 equity shares of ₹1 each)	50.00	50.00
Issued, subscribed and paid-up		
49,50,00,000 equity shares of ₹1 each, fully paid up	49.50	49.50
(Previous year: 49,50,00,000 equity shares of ₹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 31.03.2022		As at 31.03.2021	
	(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	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	31.03.2022	31.03.2021
Life Insurance Corporation of India	5,30,55,000	5,30,55,000

Details of shareholders holding more than 5% share in the Company (% shareholding)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Life Insurance Corporation of India	10.72%	10.72%

Notes to consolidated financial statements for the year ended March 31, 2022

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**	Total Reserves and Surplus	Debt instruments through Other Comprehensive Income	Equity instruments through Other Comprehensive Income	Foreign Currency Translation Reserve	Total other reserves			
Balance as at 01.04.2020	35.50	8,237.93	1.26	131.08	63.89	8,469.66	8.47	82.18	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/ (loss)	-	(1.25)	-	-	-	(1.25)	5.54	4.43	(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 (including dividend distribution tax) (Refer Note 1)	-	(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	14.01	86.61	9.17	109.79	11,586.43	0.02	11,586.45
Balance as at 01.04.2021	35.50	10,885.73	1.00	490.52	63.89	11,476.64	14.01	86.61	9.17	109.79	11,586.43	0.02	11,586.45
Profit for the year	-	5,194.97	-	-	-	5,194.97	-	-	-	-	5,194.97	3.32	5,198.29
Other Comprehensive income/ (loss)	-	(1.48)	-	-	-	(1.48)	(12.61)	(3.86)	3.46	(13.01)	(14.49)	(0.03)	(14.52)
Redemption liability	-	(181.29)	-	-	-	(181.29)	-	-	-	-	(181.29)	-	(181.29)
Share based payment	-	0.44	-	-	-	0.44	-	-	-	-	0.44	-	0.44
Transfer to Liquidity Enhancement Scheme Incentive Reserve	-	(10.78)	10.78	-	-	-	-	-	-	-	-	-	-
Liquidity Enhancement Scheme Incentive paid/ payable	-	10.78	(10.78)	-	-	-	-	-	-	-	-	-	-
Transfer to Reserve Fund	-	(44.66)	-	44.66	-	-	-	-	-	-	-	-	-
Transaction with owners in their capacity as owners													
Dividend paid (Refer Note 2)	-	(1,225.13)	-	-	-	(1,225.13)	-	-	-	-	(1,225.13)	-	(1,225.13)
Change in non controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	4.54	4.54
Balance as at 31.03.2022	35.50	14,628.58	1.00	535.18	63.89	15,264.15	1.40	82.75	12.63	96.78	15,360.93	7.85	15,368.78

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
* 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, 2022

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.

Equity instruments through Other Comprehensive Income:

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

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.

Liquidity enhancement scheme incentive reserve:

One of the subsidiary has created Liquidity enhancement scheme incentive reserve in accordance with the IFSC Authority circular dated March 31, 2022 which has issued guidelines for Liquidity Enhancement Scheme. Accordingly the subsidiary has created a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme.

Foreign Currency Translation Reserve:

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

Note 1 The Board of Directors, in their meeting held on June 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 2 The Board of Directors, in their meeting held on June 18, 2021, proposed a dividend of ₹24.75/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 25, 2021. The total dividend paid during the year ended March 31, 2022 amounts to ₹1,225.13 crores.

Note 14 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Trade payables	341.22	238.72
Trade payables to MSME (Refer note 36)	7.99	1.78
Total	349.21	240.50

Ageing of Trade Payables as on March 31, 2022

Description	Outstanding for following periods from the due date				Total
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	
MSME	7.85	0.02	0.03	0.09	7.99
Others	330.34	5.32	0.13	5.43	341.22
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
Total	338.19	5.34	0.16	5.52	349.21

Notes to consolidated financial statements for the year ended March 31, 2022

Note 14 : TRADE PAYABLES (CURRENT) (contd...)

Ageing of Trade Payables as on March 31, 2021

Description	Outstanding for following periods from the due date				
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
MSME	1.78	-	-	-	1.78
Others	229.94	2.37	1.27	5.14	238.72
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
Total	231.72	2.37	1.27	5.14	240.50

Note 15 : OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Other liabilities (Refer note 9.4 & 12.4)	15.49	12.96
Redemption liability (Refer note 46.2 & 46.3)	102.91	-
Total	118.40	12.96

Note 16 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Deposits - premises	5.27	8.06
Creditors for capital expenditure	106.48	23.43
Defaulters fund pending claims	401.31	113.80
Margin money from members (Refer note 16.1)	5,294.76	4,155.27
Settlement obligation payable (Refer note 16.1)	3,268.33	4,141.70
Redemption liability (Refer note 46.2 & 46.3)	78.39	-
Unpaid dividend	0.16	-
Other liabilities	92.45	75.49
Total	9,247.15	8,517.75

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)

Note 17a : PROVISION (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Employee benefits obligation		
Provision for gratuity	13.15	10.35
Provision for variable pay and allowance	38.22	18.31
Provision for leave encashment	1.33	2.26
Total	52.70	30.92

Notes to consolidated financial statements for the year ended March 31, 2022

Note 17b : CONTRACT LIABILITIES (NON CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Contract Liabilities related to listing services (Refer Note 17.1)	58.11	21.23
Total	58.11	21.23

17.1 Contract liabilities mainly consist of processing fees in relation to listing fees which is recognised on straightline basis over estimated period of 10 years.

Note 18a: PROVISION (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Employee benefits obligation		
Provision for gratuity	6.53	3.96
Provision for variable pay and allowance	99.37	64.42
Provision for leave encashment	21.82	20.74
Other Provisions	0.36	-
Total	128.08	89.12

Note 18b : CONTRACT LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Contract Liabilities related to listing services (Refer Note 17.1)	2.69	1.08
Total	2.69	1.08

Note 19 : INCOME TAXES

a) Income tax expense

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Income tax expense		
Current Tax		
Current tax expense [^]	1,701.59	901.78
Total Current Tax	1,701.59	901.78
Deferred Tax		
(Increase) / Decrease in deferred tax assets	(13.35)	(28.96)
Increase / (Decrease) in deferred tax liabilities	25.76	18.73
Total deferred tax expense (benefit)	12.41	(10.23)
Total Income tax expenses	1,714.00	891.55
Tax expenses exclude deferred tax expense/ (benefit) on OCI	7.16	1.37

[^] Includes ₹201.17 crores of tax on profit on sale of investment in Computer Age Management Services Limited for the year ended March 31, 2021.

Notes to consolidated financial statements for the year ended March 31, 2022

Note 19 : INCOME TAXES (contd...)

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate: (₹ in Crores)

Particulars	31.03.2022	31.03.2021
Profit before income tax expense	6,912.29	4,464.97
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	1,739.69	1,123.74
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Impairment of Assets	-	19.87
Interest on tax free bonds	(13.26)	(13.37)
Income taxed at different rate	(8.88)	(246.14)
Others	(3.55)	7.45
Income Tax Expense	1,714.00	891.55

The applicable Indian statutory tax rate for year ended March 31, 2022 is 25.168% (March 31, 2021 : 25.168%.)

c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to: (₹ in Crores)

Particulars	31.03.2022	31.03.2021
Deferred income tax assets		
Property, plant and equipment and investment property	3.57	2.52
Provision for leave encashment	5.47	5.28
Others	100.36	87.60
Total deferred tax assets	109.40	95.40
Deferred income tax liabilities		
Property, plant and equipment and investment property	1.36	9.93
Financial Assets at Fair Value through OCI on equity and debt instruments	7.36	14.11
Financial Assets at Fair Value through profit and Loss	81.61	65.14
Tax on undistributed earnings of associates	108.22	88.59
Others	28.33	30.40
Total deferred tax liabilities	226.88	208.17
Net Deferred tax liabilities	117.48	112.77
Deferred Tax Assets	20.42	5.50
Deferred tax Liabilities	(137.90)	(118.27)

Notes to consolidated financial statements for the year ended March 31, 2022

Note 19 : INCOME TAXES (contd...)

d) Movement in deferred tax assets

(₹ in Crores)

Particulars	Property, plant and equipment	Provision for leave encashment	Financial Assets at Fair Value through profit and Loss	Others	Total
At 1 April 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
Charged/(credited)					
- to profit or loss	1.05	0.19	-	12.11	13.35
- to other comprehensive income	-	-	-	0.65	0.65
At 31 March 2022	3.57	5.47	-	100.36	109.40

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 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
Charged/(credited)						
- to profit or loss	(8.57)	16.47	-	19.63	(1.77)	25.76
- to other comprehensive income	-	-	(6.75)	-	(0.46)	(7.21)
-to others	-	-	-	-	0.16	0.16
At 31 March 2022	1.36	81.61	7.36	108.22	28.33	226.88

(f) The Group has not recognised deferred tax liability associated with respect to undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future. Further the Group will also avail the tax credit for the tax payable on dividend distributed by the subsidiaries.

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
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	4,085.17	3,708.96
Unrecognised deferred tax liabilities relating to the above temporary differences	1,028.16	933.47

Notes to consolidated financial statements for the year ended March 31, 2022

Note 20 : INCOME TAX LIABILITIES (NET) - CURRENT*

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Income tax (net of advances)	301.88	239.00
Fringe Benefit Tax (net of Advances)	0.01	0.01
Wealth tax (net of advances)	0.29	0.29
Total	302.18	239.30

Note 21 : INCOME TAX ASSETS (NET) - NON-CURRENT*

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Income tax paid including TDS (net of provisions)	498.18	512.11
Fringe benefit tax (net of provisions)	0.02	2.25
Total	498.20	514.36

*The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities (Refer note 35 for details of contingent liabilities and litigations)

Note 22 : OTHER NON-CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Deposit - STT (Refer note no. 7.1)	5.41	5.41
Total	5.41	5.41

Note 23 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Securities Transaction Tax payable	2,123.90	1,697.12
Statutory dues payable	580.72	452.36
Advance from customers	108.65	69.40
Others	280.08	230.13
Total	3,093.35	2,449.01

Note 24 : DEPOSITS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Deposits from trading members	957.99	985.71
Deposits from applicants for membership	13.30	12.43
Deposits from mutual fund distributors	1.32	1.81
Deposits towards equipments	9.95	2.75
Deposits from clearing members	332.88	313.65
Deposits in lieu of bank guarantee/securities from clearing members	91.48	89.72
Deposits from clearing banks	800.26	517.55
Deposits - listing & book building	116.45	56.76
Total	2,323.63	1,980.38

Notes to consolidated financial statements for the year ended March 31, 2022

Note 25 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Revenue from contracts with customers :		
<u>Trading services</u>		
Transaction charges (Refer note 25.2)	6,965.10	4,235.62
<u>Listing services</u>		
Listing fees	101.77	95.40
Processing fees	31.40	25.34
Book building fees	50.57	24.36
	183.74	145.10
<u>Colocation Charges (Refer note 25.3)</u>	432.62	274.06
<u>Technology services</u>		
Application development & maintenance services	231.56	155.01
Infrastructure management services	55.03	4.60
E-Learning solutions	195.33	116.47
	481.92	276.08
<u>Data Feed & Terminal services</u>		
Online datafeed service fees	161.40	118.28
Data terminal service fees	64.10	15.02
	225.50	133.30
<u>Licensing services</u>		
Index licensing & Data subscription fees	116.00	105.14
<u>Clearing & Settlement Services</u>	41.84	28.61
<u>Registration, test enrolment fees & skill training services</u>	94.06	37.38
<u>Others</u>	132.63	112.98
Total (Refer note 25.1)	8,673.41	5,348.27
Other operating revenues :		
Income on investments (Refer note 25.4)	256.07	276.55
Total	8,929.48	5,624.82

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Revenue Recognised		
Point in time	7,275.62	4,405.06
Over the time	1,653.86	1,219.76
Total	8,929.48	5,624.82

25.1 Reconciliation of revenue recognised with contract price :

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Contract Price	8,711.91	5,353.73
Adjustments for contract liabilities	(38.50)	(5.47)
Revenue from contracts with customers	8,673.41	5,348.27

Notes to consolidated financial statements for the year ended March 31, 2022

25.2 The previous year amount includes revenue from Transaction charges amounting to ₹2,204.72 crores which were 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, 6.1, 6.2, 9.1, 10.2 & 35(b)]

25.3 The previous year amount includes revenue from Colocation services amounting to ₹273.58 crores which were 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, 6.1, 6.2, 9.1, 10.2 & 35(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 31.03.2022	For the year ended 31.03.2021
Other income		
Dividend income		
- from equity investments designated at FVOCI	0.59	0.69
Interest income from financial assets at amortised cost	168.04	113.38
Interest income from financial assets designated at FVOCI	55.65	36.12
Rental income	3.05	6.14
Miscellaneous income	20.34	16.94
	247.67	173.27
Other gains/ (losses)		
Net gain/ (loss) on financial assets mandatorily measured at FVPL	252.82	210.90
Net gain on sale of financial assets measured at FVOCI	-	5.45
Net gain on sale of investments measured at amortised cost	-	9.73
Net gain on sale of financial assets mandatorily measured at FVPL	66.94	175.46
Net gain on disposal of property, plant and equipment	0.25	-
Net foreign exchange gains	2.48	2.70
Total other income and other gains/(losses)	322.49	404.24
Total	570.16	577.51

Note 27 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Salaries, wages and bonus	638.86	439.19
Contribution to provident and other funds (Refer note 30)	21.07	17.40
Gratuity (Refer note 30)	9.21	8.17
Staff welfare expenses	20.56	15.08
Total	689.70	479.84

Notes to consolidated financial statements for the year ended March 31, 2022

Note 28 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Clearing & Settlement Charges	45.30	21.60
Repairs & maintenance		
- To computers, trading & telecommunication systems	160.08	144.05
- To buildings	6.05	4.13
- To others	18.20	15.64
SEBI & IFSCA regulatory fees	220.27	92.15
IT management and consultancy charges	37.79	37.88
Software expenses	134.20	117.35
Network infrastructure management charges	6.77	2.64
Lease line charges	73.45	29.58
Telephone charges	6.82	5.02
Water and electricity charges	45.92	35.73
Rental charges	2.43	2.13
Rates and taxes	7.39	7.13
Directors' sitting fees	2.85	2.50
Legal and professional fees	87.31	63.42
Advertisement and publicity	48.61	21.68
Travel and conveyance	31.69	25.98
Insurance	3.58	2.81
Printing and stationery	1.30	0.49
Corporate social responsibility expenditure (Refer note 43)	67.34	74.64
Contribution to Investor protection fund trust (Refer note 28.1)	155.65	3.36
Investor education expenses	74.18	33.44
Payment to auditors (Refer note below)	3.42	2.92
Doubtful debts written off	8.29	8.40
Provision for doubtful debts	21.92	3.10
Liquidity enhancement incentive	22.94	18.68
Project related expenses of technology business	232.55	94.31
Loss on sale of property, plant & equipments	0.18	-
Other expenses	214.04	133.54
Total	1,740.52	1,004.30

Notes to consolidated financial statements for the year ended March 31, 2022

Note : Payment to auditors

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
As auditors :		
Audit fees	2.07	1.68
Tax audit fee	0.13	0.11
Limited review	0.63	0.49
In other capacities		
Taxation matters	0.26	0.21
Certification matters	0.18	0.15
Other services	0.15	0.28
Total	3.42	2.92

28.1 It includes contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation, which amounts to 3% of listing fees income. (Also refer note 49)

Note 29 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
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	5,194.97	3,573.72
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)	104.95	72.20

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	31.03.2022	31.03.2021
Group's contribution towards superannuation fund	1.26	1.30

Notes to consolidated financial statements for the year ended March 31, 2022

ii) Defined Benefit Plan :

(a) Provident Fund :

The Company has established 'National Stock Exchange of India 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. There was a shortfall of ₹0.24 crores as of March 31, 2022 and ₹1.63 crores as of March 31, 2021 which has been duly provided. The Company's contribution towards Provident Fund during the year / period ended is summarised below. 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 recognized provident fund and the same is charged to Statement of Consolidated Profit and Loss.

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Group's contribution to the provident fund	18.28	15.26
Interest shortfall liability	0.22	0.84

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

(₹ in Crores)

Particulars	31.03.2022*	31.03.2021
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels		8% to 10%
c. Discount Rate		6.48% to 6.49%
d. Attrition Rate		12.00%
e. Weighted Average Yield		8.34%
f. Weighted Average YTM	NA	8.00%
g. Reinvestment Period on Maturity		5 years
h. Mortality Rate		Indian Assured Lives Mortality (2006-08) Ultimate
i. Total PF assets as on date of valuation (₹ in Crores)	128.50	121.77

* The Corpus of the provident fund of the employees was being managed by the National Stock Exchange of India Limited Employee Provident Fund Trust ("EPF Trust") which was registered with the Employees Provident Fund Organisation (EPFO) and exempted under the Employees Provident Fund Scheme 1952. The Board of directors of the Company in its meeting held on October 29, 2021 resolved to transfer the provident fund management and administration to the Employees Provident Fund Office ("EPFO") effective April 1, 2022. Accordingly, the Company and EPF Trust have transferred the entire corpus standing to the credit of EPF Trust including the required fund to meet the obligation in April 2022. This does not have material impact on the Company's financial statements.

(b) Gratuity :

The Group provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contribution to recognised funds with Life Insurance Corporation of India (LIC).

Notes to consolidated financial statements for the year ended March 31, 2022

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	31.03.2022		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	69.89	(55.58)	14.31
Current service Cost	8.89	-	8.89
Interest cost / (income)	4.45	(3.60)	0.85
Expenses recognised in the Statement of Profit & Loss	13.34	(3.60)	9.74
Remeasurements			
Return on plan assets	-	(0.87)	(0.87)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	0.03	-	0.03
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.88)	-	(1.88)
Actuarial (gains)/losses on obligations - due to experience	5.51	-	5.51
Net (income)/expense for the period recognized in OCI	3.66	(0.87)	2.79
Employer Contributions	-	(6.61)	(6.61)
Liability transferred	0.21	-	0.21
Benefits paid	(9.04)	8.28	(0.76)
At the end of the year	78.06	(58.38)	19.68

(₹ 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 recognized in OCI	0.56	(0.07)	0.49
Employer Contributions	-	(20.98)	(20.98)
Liability transferred	1.32	-	1.32
Benefits paid	(3.92)	2.89	(1.03)
At the end of the year	69.89	(55.58)	14.31

Notes to consolidated financial statements for the year ended March 31, 2022

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Fair value of plan assets as at the end of the year	58.38	55.58
Liability as at the end of the year	(78.06)	(69.89)
Net (liability) / asset	(19.68)	(14.31)
Non Current Portion	(13.15)	(10.35)
Current Portion	(6.53)	(3.96)

(iii) Sensitivity Analysis

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Projected Benefit Obligation on Current Assumptions	75.74	68.02
Delta Effect of +1% Change in Rate of Discounting	(4.68)	(4.14)
Delta Effect of -1% Change in Rate of Discounting	5.23	4.73
Delta Effect of +1% Change in Rate of Salary Increase	5.03	4.55
Delta Effect of -1% Change in Rate of Salary Increase	(4.61)	(4.15)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.89)	(0.91)
Delta Effect of -1% Change in Rate of Employee Turnover	0.99	1.03

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	31.03.2022	31.03.2021
Discount Rate	6.84-6.90%	6.48-6.59%
Rate of Return on Plan Assets	6.84-6.90%	6.48-6.59%
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	31.03.2022	31.03.2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1 st Following Year	10.35	11.15
2 nd Following Year	6.92	7.04
3 rd Following Year	7.20	5.53
4 th Following Year	6.91	5.60
5 th Following Year	9.30	5.43
Sum of Years 6 to 10	49.76	27.14
Sum of Years 11 and above	22.12	18.44

(vi) Expected contribution to gratuity plan for the year ending March 31, 2023 is ₹9.24 crores (P.Y. ₹6.48 crores).

Notes to consolidated financial statements for the year ended March 31, 2022

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 and various indices to the stock and commodity brokers.
- 4: **Index Licensing Fees** : 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, 2022

(b) Segment Revenue :

Transactions between segments are carried out at arms length and are eliminated on consolidation. Segment revenue is measured in the same way as in the statement of profit or loss. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as Unallocable. The CODM primarily uses a measure of profit before tax to assess the performance of the operating segments.

Segments	For the year ended 31 st March, 2022				For the year ended 31 st March, 2021			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services	7,762.80	54.08	7,708.72	6,056.77	4,848.29	51.90	4,796.39	3,771.04
Clearing Services	676.75	414.34	262.41	109.77	501.73	265.27	236.46	116.88
Data feed Services	198.90	2.93	195.97	138.22	134.83	1.50	133.33	112.93
Index Licensing Services	206.25	90.25	116.00	104.78	150.99	45.86	105.14	96.50
Strategic Investments	140.37	140.37	-	(2.71)	147.78	147.78	-	(2.16)
Other Segments	847.33	200.95	646.38	(245.41)	477.44	123.93	353.50	(179.97)
Total	9,832.40	902.92	8,929.48	6,161.42	6,261.06	636.24	5,624.82	3,915.22
Unallocable income (Net of Expenses)				345.95				427.46
Interest income				223.69				149.50
Profit before Exceptional items, Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax				6,731.06				4,492.18
Share of net profits of associates accounted for using equity method				90.28				65.90
Profit before Exceptional items, Contribution to Core SGF and Tax				6,821.34				4,558.08
Exceptional Items								
Add: Profit on sale of investment in Computer Age Management Services Limited				-				1,735.09
Add : Profit on sale of investment in Power Exchange of India Limited				1.62				-
Less: Contribution to Investor Protection Fund Trust				-				(1,822.05)
Add: Reversal of Provision / (Provision) for Impairment of Intangible assets under development				68.23				(68.23)
Add: Settlement compensation towards cancellation of contracts				21.10				-
Profit after Exceptional items before Contribution to Core SGF and Tax				6,912.29				4,402.89
Add/Less : Reversal / (Contribution) to Core SGF				-				62.08
Profit before Tax				6,912.29				4,464.97
Less: Tax expense								
Current Tax				(1,701.59)				(901.78)
Deferred tax expense / (benefit)				(12.41)				10.23
Total tax expenses				(1,714.00)				(891.55)
Profit for the year				5,198.29				3,573.42

(₹ in Crores)

Notes to consolidated financial statements for the year ended March 31, 2022

(c) Revenue From External Customers based on geographies

The company is domiciled in India. The amount of Group revenue from external customers by location of customers.

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
India	8,725.36	5,367.64
Outside India	204.12	257.18
Total Revenue	8,929.48	5,624.82

(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)

Segments	31.03.2022	31.03.2021
Trading Services	4,195.84	3,011.11
Clearing Services *	15,015.77	13,121.20
Datafeed Services	32.04	25.24
Index Licensing Services	14.49	12.41
Strategic Investments	721.89	689.89
Other Segments	543.85	385.49
Total Segment Assets	20,523.88	17,245.34
Unallocable Assets	15,083.12	11,960.30
Total Assets	35,607.00	29,205.64

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	31.03.2022	31.03.2021
Contribution to Core SGF	3,971.25	3,528.30
Contribution to SGF - Commodity Derivatives	250.00	250.00
Contribution to Core SGF - NSE IFSC CC	10.77	10.28

Notes to consolidated financial statements for the year ended March 31, 2022

(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	31.03.2022	31.03.2021
Trading Services	4,514.56	3,476.76
Clearing Services	14,109.19	13,072.71
Datafeed Services	23.37	19.84
Index Licensing Services	2.21	2.28
Strategic Investments	1.19	1.14
Other Segments	479.71	146.25
Total Segment Liabilities	19,130.24	16,718.98
Unallocable Liabilities	1,058.37	850.60
Core Settlement Guarantee Fund	(4,255.12)	(3,792.82)
Total Liabilities	15,933.49	13,776.76

(f) Segment Capital Expenditure

(₹ in Crores)

Segments	31.03.2022	31.03.2021
Trading Services	521.54	329.39
Clearing Services	100.89	34.10
Datafeed Services	6.00	3.95
Index Licensing Services	-	0.32
Strategic Investments	-	-
Other Segments	79.80	43.22
Total Segment Capital Expenditure	708.23	410.98
Add: Unallocable Capital Expenditure	-	-
Total Capital Expenditure	708.23	410.98

(g) Segment Depreciation / Amortisation

(₹ in Crores)

Segments	31.03.2022	31.03.2021
Trading Services	259.25	165.63
Clearing Services	23.42	13.40
Datafeed Services	3.91	1.47
Index Licensing Services	1.23	1.29
Strategic Investments	-	-
Other Segments	50.06	43.70
Total Segment Depreciation / Amortisation	337.88	225.49
Add: Unallocable Depreciation / Amortisation	0.47	0.52
Total Depreciation / Amortisation	338.36	226.01

Notes to consolidated financial statements for the year ended March 31, 2022

Note 32: In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

(a) Names of the related parties and related party relationships

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	Power Exchange India Limited	Associate Company	Trading Facility in power	29.21%
2	Protean e-Governance Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited)	Associate Company	E-Governance Solutions	25.05%
3	National Securities Depository Limited	Associate Company	Depository Services	24.00%
4	Market Simplified India Limited	Associate Company	Software Industry	30.00%
5	BFSI Sector Skill Council of India	Associate Company	Skill Council	49.00%
6	Receivables Exchange of India Limited	Associate Company	Online Platform for financing receivables (TReDS)	30.00%
7	Capital Quants Solutions Private Limited (w.e.f. February 26, 2021)	Associate Company	Data processing	17.00%
8	Indian Gas Exchange Limited (w.e.f. March 16, 2021)	Associate Company	Gas Exchange	25.61%
9	India International Bullion Holding IFSC Limited (w.e.f. June 04, 2021)	Associate Company	Investment Entity	21.39%
10	India International Bullion Exchange IFSC Limited (w.e.f. August 25, 2021)	Subsidiary of Associate Company	Bullion Exchange	21.39%

Sr. No. List of Key Management Personnel

1	Mr. Vikram Limaye - Managing Director & CEO
2	Mr. Girish Chandra Chaturvedi
3	Ms. Anuradha Rao
4	Mr. Veneet Nayar (w.e.f. September 20, 2021)
5	Mr. Abhay Havaladar (upto September 25, 2020)
6	Mr. Prakash Parthasarathy (upto August 25, 2021)
7	Mr. Sundararajaramo Sudharshan
8	Mr. Narsimha Murthy Kummamari
9	Ms. Mona Bhide (w.e.f. April 21, 2020)
10	Ms. Sunita Sharma

Other related parties with whom there were transaction during the year

1	NSE Employee Provident Fund Trust (Refer note 30)	Post employment benefit plan
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(₹ in Crores)

Power Exchange of India Limited	31.03.2022	31.03.2021
Nature of Transactions		
Application Development and Maintenance Services	-	0.19
Closing balances (Credit) / Debit	-	0.05

Notes to consolidated financial statements for the year ended March 31, 2022

(₹ in Crores)

Protean e-Governance Technologies Limited (formerly known as NSDL e-Governance Infrastructure Limited)	31.03.2022	31.03.2021
Nature of Transactions		
PAN verification charges paid*	0.60	0.00
Application Development and Maintenance Services	-	0.51
Fees and Subscription	0.01	-
Dividend received	9.02	45.08
Sitting Fees Received	0.09	0.06
Director Commission	0.15	0.20
Closing balances (Credit) / Debit	-	0.44

(₹ in Crores)

National Securities Depository Limited	31.03.2022	31.03.2021
Nature of Transactions		
Dividend received	4.80	3.55
Depository operation fees	0.21	0.18
Annual Custody Fees	0.01	-
STP Charges Received	0.03	-
Sitting Fees Received	0.05	-
Application Development and Maintenance Services	-	0.30
DP Validation Charges	3.00	1.21
Closing balances (Credit) / Debit	(0.55)	0.17
Investment in Equity Share Capital	-	58.92

(₹ in Crores)

Receivables Exchange Of India Limited	31.03.2022	31.03.2021
Nature of Transactions		
Reimbursement received for expenses on staff on deputation	-	0.18
Closing balances (Credit) / Debit	0.27	0.29

(₹ in Crores)

Capital Quants Solutions Private Limited	31.03.2022	31.03.2021
Nature of Transactions		
License Fees	0.07	-

(₹ in Crores)

India International Bullion Holding IFSC Limited	31.03.2022	31.03.2021
Nature of Transactions		
Reimbursement of Expenses Received	0.02	-
Closing balances (Credit) / Debit	0.02	-

Notes to consolidated financial statements for the year ended March 31, 2022

(₹ in Crores)

India International Bullion Exchange IFSC Limited	31.03.2022	31.03.2021
Nature of Transactions		
Reimbursement of Expenses Received	0.14	-

(₹ in Crores)

Key Management Personnel - Mr. Vikram Limaye - Managing Director & CEO	31.03.2022	31.03.2021
Nature of Transactions		
Short-term employee benefits	10.10	8.62
Post-employment benefits(Refer note 32.1)	0.30	0.28
Long-term employee benefits(Refer note 32.2)	1.42	1.32
Total Remuneration	11.82	10.22

(₹ in Crores)

Key Management Personnel	31.03.2022	31.03.2021
Nature of Transactions		
Sitting Fees Paid to Directors	6.26	2.01

32.1 As the liabilities for defined benefit plan are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

* 0.00 denotes amounts below the rounding off convention

32.2 Includes 50% of the variable pay payable after 3 years subject to certain conditions

32.3 All related parties transaction enter during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related parties receivable or payables as of and for the year ended March 31, 2022 and March 31, 2021. The Group has not recorded any impairment of receivables relating to amount owed by related parties.

33 On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of “Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal’ in relation to non-exclusion of certain allowances from the definition of “basic wages” of the relevant employees for the purposes of determining contribution to provident fund under the Employees’ Provident Funds & Miscellaneous Provisions Act, 1952. The Employees’ Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter. The Group has given effect to this judgment with effect from April 1, 2019. In Group’s assessment, this did not have a significant impact on its financial statements.

Note 34 : CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	219.89	92.81
Other commitments (Primarily in respect of operating expenses)	629.08	585.09

Notes to consolidated financial statements for the year ended March 31, 2022

Note 35 : CONTINGENT LIABILITIES & OTHER REGULATORY MATTERS:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
a) Claims against the Group not acknowledged as debts	12.89	12.88

- b) Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Limited (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. Accordingly, investigations were carried out and the reports were submitted to SEBI. Further, SEBI in September 2016 directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016 be transferred to a separate bank account. In terms of the said directions, NSE continued to transfer the amount till May 2021 when SAT allowed the release of the amounts from such separate bank account (as further explained below).

Three separate show cause notices (SCN) on May 22, 2017 and July 03, 2018 were issued by SEBI to 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 Fiber point to point connectivity and Governance and conflict of interest related matters which were responded to by NSE. NSE had also filed a Consent Application with SEBI on August 31, 2018 in respect of the said show cause notices. SEBI vide its letter dated April 30, 2019 returned the Consent Application filed by NSE and passed orders in respect of all the three show cause notices. In the first order, it passed a direction on NSE inter alia to disgorge an amount of ₹624.89 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 accessing securities market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of ₹62.58 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 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 of 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 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 Fiber matter totalling to ₹687.47 crores to SEBI which has been remitted by the Company on June 13, 2019. Further, the Company was also directed to continue to transfer all revenues emanating from its colocation 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 had been heard by the Hon'ble SAT and the same was reserved for orders, the Company had, in the interim, filed an application with Hon'ble SAT to permit withdrawal of the amounts transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues emanating from its colocation facility to such separate bank account going forward. Hon'ble SAT heard the matter on May 17, 2021 and modified its earlier order dated May 22, 2019 and allowed NSE to withdraw the amounts previously transferred to such account, discontinue further transfer of future revenues and close the separate account. However, in order to balance the equities, Hon'ble SAT directed NSE to transfer an additional amount of ₹420 crores into an interest-bearing account with SEBI which has been remitted by the Company on June 17, 2021. Accordingly, as at March 31, 2022, a total amount of ₹1,107.47 crores has been deposited by the Company with SEBI. SAT directed the parties for a refresher hearing which has been concluded and the final order is now reserved by SAT.

Notes to consolidated financial statements for the year ended March 31, 2022

The Company believes that it has strong grounds to contest each of the above orders including monetary liability (including from completed / pending adjudication proceedings) passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2022.

- c) NSE was in receipt of Show Cause Notice issued by SEBI on October 9, 2019 and a Supplementary notice on December 16, 2019 alleging violation in relation to certain alleged irregularities in the appointment of Chief Strategic Advisor and his re-designation as 'Group Operating Officer and Advisor to MD' by the former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the Company with an alleged third party by former Managing Director & Chief Executive Officer. The Company filed a Settlement Application with SEBI on December 11, 2019, which was returned to NSE on October 27, 2020. During the year, SEBI vide order dated February 11, 2022 levied penalty of ₹2 Crore which has been paid by the Company. In this direction, certain investigating agencies have been making inquiries and seeking various information, data etc. from the Company, which is being provided.
- 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 dated October 01, 2020 levied a penalty of ₹6 Crore on NSE (₹1 Crore for each of the investments made by NSE and its subsidiaries). NSE had preferred an appeal against the SEBI order challenging the findings and the said penalty levied by SEBI. SAT had stayed the effect and operation of the order during the pendency of the appeal. During the year, SAT vide its order dated January 04, 2022 has quashed the Adjudicating Notice including the penalty levied by the Adjudication Order.
- e) NSE was in receipt of SEBI Adjudication SCN dated January 07, 2021 and supplementary SCN dated May 6, 2021 with respect to the default of Karvy Stock Broking Limited, erstwhile trading member registered with the Company. The Company had filed its detailed response with SEBI. The Company has filed a consent application in response to the said SCNs issued by SEBI which was returned to NSE on April 6, 2022. SEBI vide order dated April 12, 2022 passed the order levying penalty of ₹2 crores. The Company is evaluating its course of action, pending which the said amount has been disclosed as contingent liability. Based on the legal view, the Company believes that it has strong ground to contest the said order and accordingly no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2022.
- f) SEBI had issued Show Cause Notice (SCN) dated March 26, 2021 to NSE for alleged violation of SEBI (STP Centralized Hub and STP Service Providers) Guidelines, 2004 (STP Guidelines) against which the Company had filed Settlement Application. During the current year ended March 31, 2022, the Adjudicating Officer passed order dated December 28, 2021 vide which SEBI and the Company have settled the matter. Accordingly, the Company has paid a settlement fee of ₹4.88 Crores.
- g) On February 24, 2021, the NSE's trading system was halted due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of 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 (NCL) and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. NSE and NCL have submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021 directed NSE & NCL to pay financial disincentive of ₹25 lakhs each. The said amount was paid by the NSE on July 12, 2021 and NCL on July 14, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021 to NSE, NCL and some of its employees alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019 and Regulation 12(6) read with Regulation 7(3)(a), 7(3)(c) and 7(4)(g) of SECC Regulation 2018 for which detail response is filed. In this regard, NSE and NCL have taken necessary remedial actions and both have filed consent applications with SEBI on August 31, 2021 and September 14, 2021, respectively. Preliminary hearing on maintainability of the said consent applications has taken place on May 4, 2022. NSE and NCL have been directed to file written submission against the same. NSE and NCL are of the view that pending conclusion of this matter with SEBI, a reliable estimate of any obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2022.

Notes to consolidated financial statements for the year ended March 31, 2022

- h) Additionally, NSE 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 NSE, the Competition Commission of India directed the Company to pay a penalty of ₹55.50 crores (March 31, 2021: ₹55.50 crores). The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has thereafter appealed before the Hon'ble Supreme Court of India, which stayed the penalty. In respect of the same subject matter, a separate compensation claim has been filed against the Company in January 2015 amounting to ₹856.99 crores, which has been disputed by the Company. The Compensation proceedings are also stayed by the Hon'ble Supreme Court of India. Based on the legal advice, the Company is of the view that there exist strong grounds in the appeal filed by the Company before the Hon'ble Supreme Court. In view of the same no provision has been made in respect of penalty and compensation claimed in these financial statements.
- j) 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, 2022.
- 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 February 5, 2021 which is valid for a period of 3 years from the date of issuance. SEBI had issued Show Cause Notice (SCN) dated March 26, 2021 to subsidiary for alleged violation of SEBI (STP Centralized Hub and STP Service Providers) Guidelines, 2004 (STP Guidelines) against which the subsidiary has filed Settlement Application. During the current year ended March 31, 2022, the Adjudicating Officer passed order dated December 29, 2021 vide which SEBI and the subsidiary have settled the matter. Accordingly, the subsidiary has paid a settlement fee of ₹0.21 Crores.

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.

- l) Other Contingent Liabilities on account of disputed demand of:

Particulars	(₹ in Crores)	
	31.03.2022	31.03.2021
Income tax matters	620.89	879.77
Fringe Benefit Tax matters	0.01	2.22
Wealth tax matters	0.09	0.09
Goods & Service Tax matters	1.23	0.51
Services tax matters along with penalty thereon	152.13	152.13
Group's share of associates	34.98	22.71

The Group's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial statements.

Notes to consolidated financial statements for the year ended March 31, 2022

m) Bank guarantees

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Bank guarantees	3,049.40	1,047.45
Group's share of associates	0.06	0.06

NSE Clearing Limited has commenced Clearing & Settlement activities for Capital market segment, Equity Derivatives and Currency Derivatives segment under interoperability framework as prescribed by SEBI. Further, during the year, the company has given additional bank guarantee of ₹2,000 crores (previous year ₹1,000 crores) in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI. Total bank guarantee amount as on March 31, 2022 is ₹3,000 crores (previous year ₹1,000 crores).

- n) On November 01, 2021, NSE Clearing Limited (NCL) encountered an incident which resulted in delay in securities pay-out in the cash segment. Pursuant to SEBI circular SEBI/HO/MRD1/DTCS/CIR/P/2021/590 dated July 05, 2021 an amount of ₹1 crore was payable to the Core Settlement Guarantee Fund (Core SGF) of NCL towards financial disincentive which is included in other expenses and the same has been transferred to the Core SGF on January 24, 2022.

36 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Trade Payables includes ₹7.99 Crores (March 31, 2021: ₹1.78 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	31.03.2022	31.03.2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	7.99	1.78
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	0.00	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
Interest Accrued and remaining unpaid at the end of each accounting year *	0.00	0.00
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	-	-

* 0.00 denotes amounts below the rounding off convention

Notes to consolidated financial statements for the year ended March 31, 2022

- 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, 2022 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	24.80	-	-	-	132.84
Contribution by NSE on behalf of members	42.93	296.00	23.00	-	-	2.50	364.43
Interest Adjusted towards member `s contribution	10.07	40.00	27.00	-	-	-	77.07
Contribution by 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	12.58	-	-	-	16.99
Contribution by Metropolitan Stock Exchange of India (MSE)	-	-	1.12	-	-	-	1.12
Interest Adjusted towards MSE `s contribution	-	-	0.01	-	-	-	0.01
Others (Financials Disincentives)	1.00	-	-	-	-	-	1.00
Total	219.36	1,344.05	211.71	4.00	17.00	10.00	1,806.12
Previous Year	218.36	1,344.05	203.56	4.00	17.00	10.00	1,796.97

II Details of Core SGF as on March 31, 2021 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	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+e)	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*	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

III Contribution made during the year 2021-22

Contribution during the year (₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other # \$	Total
NCL own contribution								
Direct contribution\$	-	-	-	-	-	-	-	-
Adjusted from interest income **	-	-	4.00	-	-	-	-	4.00
Others (Financials Disincentives)	1.00	-	-	-	-	-	-	1.00
Total	1.00	-	4.00	-	-	-	-	5.00

Notes to consolidated financial statements for the year ended March 31, 2022

Contribution by NSE on behalf of Member

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct contribution	-	-	-	-	-	-	-	-
Contribution adjusted from NSE other contribution#	-	-	-	-	-	-	-	-
Adjusted from interest income**	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Contribution by NSE

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct contribution	-	-	-	-	-	-	-	-
Adjusted agaisnt NSE`s own and member`s contribution	-	-	-	-	-	-	-	-
Contribution adjusted from NSE other contribution#	-	-	-	-	-	-	-	-
Adjusted from interest income**	-	-	2.00	-	-	-	70.51	72.51
Excess contribution transfer to other clearing corporation***	-	-	-	-	-	-	-70.51	-70.51
Total	-	-	2.00	-	-	-	-	2.00

Contribution by BSE

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct Contribution	-	-	2.02	-	-	-	-	2.02
Total	-	-	2.02	-	-	-	-	2.02

Contribution by MSEI

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Total
Direct contribution	-	-	0.11	-	-	-	-	0.11
Adjusted from interest income**	-	-	0.01	-	-	-	-	0.01
Total	-	-	0.12	-	-	-	-	0.12

Income during the period (Net Off adjustment towards MRC) **

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other #	Current year	Previous year
Penalty	110.94	721.11	37.64	-	-	0.07	-	326.13	222.95
Income on investments	14.45	88.70	8.28	0.04	0.69	0.40	13.81	126.37	182.57
Less : Income adjusted against MRC**	-	-	6.01	-	-	-	-	6.01	147.80
Less : Income adjusted towards transfer of contribution to other clearing corporation***	-	-	-	-	-	-	12.68	12.68	70.51
Income on investments (Net off adjustment towards MRC)	14.45	88.70	2.27	0.04	0.69	0.40	1.13	107.68	-35.74

Notes to consolidated financial statements for the year ended March 31, 2022

IV Details of Core SGF as on March 31, 2022 are as follows :

Out of the above the details of the cash contributions and investment of the same are as follows :

I Contribution to Corpus of Core SGF

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other#	Total
NCL own contribution	107.00	672.00	100.00	3.00	8.50	5.00	-	895.50
Contribution by NSE on behalf of member's	53.00	336.00	50.00	-	-	2.50	-	441.50
Contribution by NSE	54.00	336.00	48.00	1.00	8.50	2.50	327.51	777.51
Contribution by BSE	4.36	0.05	12.58	-	-	-	-	16.99
Contribution by MSE	0.00	-	1.12	-	-	-	-	1.12
Others (Financials Disincentives)\$	1.00							1.00
1 Total	219.36	1,344.05	211.70	4.00	17.00	10.00	327.51	2,133.62
2 Penalty*	196.37	956.80	42.59	-	-	0.12	-	1,195.89
3 Income on Investments (After allocation towards MRC)*	58.91	544.41	21.34	0.99	4.09	1.87	10.14	641.75
Grand Total (1+2+3)	474.64	2,845.27	275.63	4.99	21.09	11.99	337.65	3,971.26

II Details of Investment

(₹ in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
1 Mutual Funds	-	-	-	-	-	-	-	-
1 Fixed Deposit with Banks	135.75	474.96	27.11	-	-	4.62	144.34	786.78
2 Government securities	-	181.38	-	-	-	-	-	181.38
3 Flexi Fixed Deposits	328.75	2,136.83	242.60	2.01	16.99	7.03	181.66	2,915.87
4 Balance in bank Accounts	0.92	0.70	3.07	2.73	3.98	0.11	-	11.51
5 Accrued interest	6.34	28.15	1.48	-	-	0.22	8.12	44.31
6 Prepaid taxes	2.88	23.25	1.37	0.24	0.11	0.01	3.53	31.40
Grand Total (1+2+3+4+5+6)	474.64	2,845.27	275.63	4.99	21.09	11.99	337.65	3,971.25

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 pertains to 25% of NSE`s Annual profits as contribution to Core SGF. SEBI vide circular CIR/CFD/FAC/62/2016 dated May 05, 2016 advised Stock Exchange to transfer 25% of its annual profits upto August 2015 to Core SGF and utilise the same for contribution required by members and NSE.

37.3 ** SEBI vide its letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018 has clarified that "Clearing Corporations may adjust incremental requirement of Minimum Required Corpus (MRC) against the interest accrual on the cash contribution of respective contributors before taking additional contribution from them.

37.4 *** Further, as per circular dated SEBI/HO/MRD2/DCAP/CIR/P/2021/03 January 08, 2021, SEBI has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation in inter-operable scenario. Accordingly, ₹15.97 crores contribution of other stock exchanges received from respective clearing corporation and also a sum of ₹83.19 crores of NSE contribution transferred to other clearing corporation.

37.5 \$ Refer to Note no. 35 (g).

(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.

(₹ in Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Company`s own contribution*	10.65	9.84
Penalty collected from members	0.05	0.03
Accrued interest on CSGF FD	0.06	0.41
	10.76	10.28

*Company`s own contribution includes contributions of ₹NIL made during current year (₹1.00 crore made during previous year 2020-21) and balance increase is on account of currency fluctuation.

Notes to consolidated financial statements for the year ended March 31, 2022

38 LEASE

(i) Amounts recognised in balance sheet

The balance sheet includes the following amount relating to leases:

(₹ in Crores)		
Particulars	31.03.2022	31.03.2021
Right-of-use-assets		
Land	73.42	74.71
Buildings	90.28	52.37
Computers	2.12	-
Total	165.82	127.08

(₹ in Crores)		
Particulars	31.03.2022	31.03.2021
Lease liabilities		
Current	17.59	16.80
Non Current	97.09	54.03
Total	114.68	70.83

(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	31.03.2022	31.03.2021
Depreciation charge of Right-of-use assets		
Buildings	22.95	17.88
Land	1.30	1.30
Computers	0.49	-
Total	24.74	19.18

(₹ in Crores)		
Particulars	31.03.2022	31.03.2021
Interest expenses	8.90	6.62
Total	8.90	6.62

(iii) Extension and termination options

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

Notes to consolidated financial statements for the year ended March 31, 2022

(iv) Net debt reconciliation

(₹ in Crores)

Particulars	Leases	Redemption liability	Total
Net debt as at April 01, 2020	68.97	-	68.97
Add: Interest expense	6.62	-	6.62
Add: Addition of leases	18.27	-	18.27
Less: Cancellation of debt on surrender of lease	(0.20)	-	(0.20)
Less: Extinguishment of lease liabilities due rent concession	(2.27)	-	(2.27)
Less: Cash flows	(20.56)	-	(20.56)
Net debt as at March 31, 2021	70.83	-	70.83
Add: Interest expense	8.90	-	8.90
Add: Addition of leases	64.19	-	64.19
Add: Redemption liability	-	181.29	181.29
Less: Cash flows	(29.25)	-	(29.25)
Net debt as at March 31, 2022	114.68	181.29	295.97

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	31-Aug-95	India	100.00	100.00	Clearing and settlement
NSE IFSC Clearing Corporation Limited	02-Dec-16	India	100.00	100.00	Clearing and settlement
NSE IFSC Limited	29-Nov-16	India	100.00	100.00	Stock exchange services
NSE Foundation (Section 8 Company)	05-Mar-18	India	100.00	100.00	Corporate social responsibility activities
NSE Investments Limited	31-Jan-13	India	100.00	100.00	Investment entity
NSE Indices Limited	02-Aug-06	India	100.00	100.00	Index services
NSE Infotech Services Limited (Refer Note 44)	02-Aug-06	India	100.00	100.00	IT services
NSE Data & Analytics Limited	02-Jun-00	India	100.00	100.00	Data feed services
Cogencis Information Services Limited	21-Jan-21	India	100.00	100.00	Data terminal services
NSE Academy Limited	12-Mar-16	India	100.00	100.00	Financial literacy programmes
Talentsprint Private Limited	10-Nov-20	India	73.62	74.54	Skill development and training programme
TalentSprint Inc.	29-Nov-21	The United States of America	73.62	-	Skill development and training programme
NSEIT Limited	29-Oct-99	India	100.00	100.00	IT services
NSEIT (US) Inc.	04-Dec-06	The United States of America	100.00	100.00	IT services
Aujas Cybersecurity Limited (formerly known as Aujas Networks Limited and Aujas Networks Private Limited)	22-Mar-19	India	100.00	99.29	IT security services
CXIO Technologies Private Limited	08-Jul-21	India	60.00	-	IT cloud services

Notes to consolidated financial statements for the year ended March 31, 2022

(b) Interests in associates

Set out below are the associates of the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly or indirectly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of Entity	Place of business/ country of incorporation	Relationship	Proportion of Interest (%)		Accounting method	Carrying Value		Share of Profit/ (Losses) from Associates	
			March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
National Securities Depository Limited	India	Associate	24.00	24.00	Equity method	270.91	221.07	55.50	44.47
Power Exchange India Limited (Refer 39.3)	India	Associate	29.21	34.21	Equity method	-	-	-	-
Protean eGov Technologies Ltd. (formerly known as NSDL e-Governance Infrastructure Limited)	India	Associate	25.05	25.05	Equity method	242.93	215.19	35.82	23.10
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	25.61	26.00	Equity method	19.56	19.11	0.46	(0.09)
Capital Quant Solutions Private Limited (w.e.f. 26.02.2021)	India	Associate	17.00	17.00	Equity method	2.99	2.99	0.01	(0.01)
Receivables Exchange of India Limited	India	Associate	30.00	30.00	Equity method	7.23	7.30	(0.10)	(1.57)
India International Bullion Holding IFSC Limited (w.e.f. 04.06.2021)	India	Associate	21.39	-	Equity method	19.09	-	(1.41)	-
Total equity accounted investments						563.71	466.66	90.28	65.90

39.1 BFSI Sector Skill Council of India, an associate company incorporated under section 8 of Companies Act, 2013, and has been set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Accordingly, share of profit of this company has not been accounted using equity method.

39.2 NSE Investments Limited, had acquired 44.99% equity stake in Computer Age Management Services Limited (CAMS) in Financial Year 2013-14. During the previous 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.

39.3 NSE Investments Limited, a subsidiary of NSE holds 1,70,76,527 equity shares (Previous Year 2,00,00,030 equity shares) equity shares representing 29.21% (Previous Year 34.21%) shareholding of Power Exchange India Limited (PXIL). As per the Power Market Regulations, 2010, the Company is required to bring down its shareholding in PXIL to 25% by April 2022. Accordingly, to meet with the requirement of the said guidelines, during the year, the Company has entered into the Share Purchase Agreement on January 28, 2022 with NTPC Vidyut Vyapar Nigam Limited (NVVNL), a wholly owned subsidiary of NTPC for divesting its shareholding in PXIL of 5% constituting 29,23,503 equity shares through secondary market. As the Company has diminished the entire investment in PXIL in earlier years, the stake sale resulted in inflow of ₹1.62 crores to the Company which is shown as an exceptional item in the statement of Profit and Loss.

Notes to consolidated financial statements for the year ended March 31, 2022

40 FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Risk Management Committee of the Group is supported by the Treasury department that provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Treasury department activities are designed to:

- protect the Group's financial position from financial risks.
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Group's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on companies generated funds and investments.

A MANAGEMENT OF LIQUIDITY RISK

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in Group's cash flow could impair investor confidence.

The Group maintained a cautious funding strategy, with a positive cash balance throughout the years ended March 31, 2022 and March 31, 2021. Cash flows from operating activities provides the funds to service the financing of financial liabilities on a day-to-day basis.

The Group's treasury department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated by the operations, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing deposits and other marketable debt investments including the government securities, mutual funds and exchange traded funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Notes	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2022					
Trade payables	14	349.21	349.21	-	349.21
Deposits	16, 24	2,328.90	2,328.90	-	2,328.90
Lease liabilities	38	114.68	17.59	212.69	230.28
Other liabilities	15, 16	9,257.37	9,241.88	15.49	9,257.37
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	38	70.83	16.80	176.47	193.27
Other liabilities	15, 16	8,522.64	8,509.69	12.96	8,522.64

Notes to consolidated financial statements for the year ended March 31, 2022

B MANAGEMENT OF MARKET RISK

The Group's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- price risk; and
- interest rate risk

The above risks may affect the Group's income and expenses, or the value of its financial instruments. The objective of the Group's management of market risk is to maintain this risk within acceptable parameters, while optimising returns. The Group's exposure to, and management of, these risks is explained below:

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
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 March 31, 2022, the exposure to price risk due to investment in mutual funds amounted to ₹9216.75 crores (March 31, 2021: ₹7458.53 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 ₹23.04 crores gain in the Statement of Profit and Loss (2020-21: ₹18.65 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p>
<p>At March 31, 2022, the exposure to price risk due to investment in exchange traded fund amounted to ₹ NIL crores (March 31, 2021: ₹11.14 crores).</p>		<p>For exchange traded fund, a 10% increase in prices would have led to approximately an additional ₹ NIL crores gain in the Statement of Profit and Loss (2020-21 : ₹1.11 crores gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<p>At March 31, 2022, the exposure to price risk due to investment in equity instruments amounted to ₹119.87 crores (March 31, 2021: ₹126.19 crores).</p>		<p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹11.98 crores gain in the Statement of Profit and Loss (2020-21: ₹12.61 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, 2022

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
2. INTEREST RATE RISK		
<p>The Group is mainly exposed to the interest rate risk due to its investment in government securities. The interest rate risk arises due to uncertainties about the future market interest rate of these investments.</p> <p>The Group invests in term deposits for a period of less than one year. Considering the short-term nature, there is no significant interest rate risk pertaining to these deposits.</p> <p>As at March 31, 2022, the exposure to interest rate risk due to investment in government securities amounted to ₹1831.74 crores (March 31, 2021 : ₹544.65 crores).</p>	<p>In order to manage its interest rate risk arising from investments in treasury bills and 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 ₹12.29 crores loss in the Statement of Profit and Loss (2020-21: ₹7.68 crores gain). 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, the Group's assessment of credit risk is low. Accordingly, provision for expected credit loss on trade receivables is not material.

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks / financial institutions, investments in marketable debt instruments including government securities and mutual funds. The Group has diversified portfolio of investment with various number of counter-parties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Group's Treasury department.

The Group's maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 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 recognized impairment loss of ₹80.13 crores on such financial assets in the profit and loss account in the financial year 2018-19.

Notes to consolidated financial statements for the year ended March 31, 2022

E CAPITAL MANAGEMENT

The Group considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet includes retained profits, other reserves, share capital, share premium).

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In 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). SEBI vide Regulation 14(3) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations) adopted risk-based approach towards computation of capital and net worth requirement for Clearing Corporations to adequately cover counterparty credit risk, business risk, orderly wind-down and operational and legal risk. As per Regulation 14(3)(c) of SECC Regulations, 2018 every Clearing Corporation shall have a minimum net worth of ₹100 crores or networth computed as per the risk-based approach as 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 Clearing Corporation effective from F.Y. 2019-20. The networth requirement for the Company calculated as per the above SEBI circular is ₹1,276.39 crores based on audited financial statements for year ended March 31, 2021, this minimum requirement of net worth is required to be maintained throughout the year ended March 31, 2022 and the same has been maintained.

Capital requirement of NSE IFSC Limited is regulated by International Financial Services Centres Authority. As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 issued by International Financial Services Centres Authority on April 12, 2021, every permitted stock exchange is required to maintain the minimum networth of USD 3 million at all times. NSE IFSC Limited is in compliance of the same.

Capital requirement of NSE IFSC Clearing Corporation Limited is regulated by International Financial Services Centres Authority. As per International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 issued by International Financial Services Centres Authority on April 12, 2021, the Company is required to maintain the minimum networth of USD 3 million at all times. NSE IFSC Clearing Corporation Limited is in compliance of the same.

The parent company and its subsidiaries are in compliance with the above requirements as at March 31, 2022 and March 31, 2021 respectively.

Notes to consolidated financial statements for the year ended March 31, 2022

F FAIR VALUE MEASUREMENTS

Financial Instruments by category

(₹ in Crores)

Particulars	31-03-2022			31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	131.58	-	-	127.95	-
Taxable Bonds	-	-	780.23	-	-	485.12
Taxfree Bonds	-	-	715.58	-	-	746.23
Certificate of Deposits with banks	-	-	762.42	-	-	-
Fixed Deposits with Banks	-	-	3,468.32	-	-	5,854.17
Deposits with financial institutions	-	-	115.38	-	-	308.95
Government Securities	-	1,831.74	181.38	-	544.65	-
Mutual Funds	9,216.75	-	-	7,447.39	-	-
Exchange Traded Funds	-	-	-	11.14	-	-
Trade receivables	-	-	1,614.95	-	-	998.58
Cash and Cash equivalents including restricted balances with banks	-	-	12,532.35	-	-	9,380.24
Contract Assets	-	-	-	-	-	33.06
Security deposits	-	-	11.64	-	-	5.56
Other receivables	-	-	13.83	-	-	14.36
Total financial assets	9,216.75	1,963.32	20,196.08	7,458.53	672.60	17,826.27
Financial liabilities						
Trade payables	-	-	349.21	-	-	240.50
Deposits	-	-	2,328.90	-	-	1,988.44
Redemption liability	181.29	-	-	-	-	-
Other liabilities	-	-	9,257.37	-	-	8,522.64
Total financial liabilities	181.29	-	11,935.48	-	-	10,751.58

The Group had acquired certain equity instruments for the purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorised as FVOCI.

NOTE 40 G - FAIR VALUE MEASUREMENTS

(i) Fair Value hierarchy and valuation technique used to determine fair value :

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three level prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to consolidated financial statements for the year ended March 31, 2022

(₹ in Crores)

Financial Assets and Financial Liabilities measured at Fair Value - recurring fair value measurements at 31.03.2022	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
<i>Financial Investments at FVPL</i>					
Mutual Fund - Growth Plan	4 & 9	9,213.36	-	-	9,213.36
Mutual Fund - Fixed Maturity Plan	9	-	3.39	-	3.39
<i>Financial Investments at FVOCI</i>					
Debt Instrument at FVOCI - Government Securities	4 & 9	-	1,831.74	-	1,831.74
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd	4	-	-	119.87	119.87
Unquoted Equity Investments - Open Network for Digital Commerce	4	-	-	10.00	10.00
Unquoted Equity Investments - Goods and Service Tax Network	4	-	-	1.00	1.00
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.71	-	-	0.71
Total Financial Assets		9,214.07	1,835.13	130.87	11,180.07
Financial liabilities					
Redemption liability	13b	-	-	181.29	181.29
Total Financial liabilities		-	-	181.29	181.29

(₹ in Crores)

Financial Assets measured at Fair Value - recurring fair value measurements at 31.03.2021	Notes	Level 1	Level 2	Level 3	Total
Financial Assets					
<i>Financial Investments at FVPL</i>					
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
<i>Financial Investments at FVOCI</i>					
Debt Instrument at FVOCI - Government Securities	4	-	544.65	-	544.65
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	126.19	126.19
Unquoted Equity Investments - Goods and Service Tax Network	4	-	-	1.00	1.00
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 liabilities					
Total Financial liabilities		-	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2022

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

- Level 1:

This includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded on the stock exchanges are valued using the closing price as at the end of the reporting period. Listed Mutual Funds are valued using the closing quoted NAV.

- Level 2:

The fair value of financial instruments that are not traded in an active market for example, government securities is determined using Financial Benchmarks India Private Limited valuation techniques which maximise the use of observable market data, fixed maturity plan based on NAV declared by the funds and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- The Company's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.
- There were no transfers between levels during the year ended March 31, 2022

ii) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis and price to book value multiple as applicable.

(iii) Fair value measurements using significant unobservable inputs (level 3)

- The following table presents the changes in level 3 items for the periods ended March 31, 2022 and March 31, 2021:

(₹ in Crores)

Particulars	Unlisted Equity security
As at April 1, 2020	62.33
Gains (losses) recognised in Other Comprehensive Income	4.32
As at March 31, 2021	66.65
Gains (losses) recognised in Other Comprehensive Income	(6.33)
As at March 31, 2022	60.32

Notes to consolidated financial statements for the year ended March 31, 2022

(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
	31.03.2022	31.03.2021		31.03.2022	31.03.2021
Unquoted Equity Shares - NCDEX	119.87	126.19	P/B Multiple	5.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.0x	2.0x
			Liquidity Discount	20%	20%
			Applicable P/B Multiple	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹In Crores)	499.45	525.80
			Equity valuation of NCDEX (₹in Crores)	799.12	841.28
			Valuation of 15% stake (₹in Crores)	119.87	126.19

* 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	31.03.2022		31.03.2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Taxable Bonds	4	780.23	788.01	485.12	496.57
Taxfree Bonds	4 & 9	715.58	779.77	746.23	826.70
Certificate of deposits with banks	12	762.42	765.71	-	-
Government securities	4 & 9	181.38	181.40	-	-
Fixed Deposits with Banks	5, 6 & 12	3,468.32	3,482.39	5,854.17	5,924.28
Deposits with financial institutions	6	115.38	115.52	308.95	312.88
Security Deposits	5 & 6	11.64	11.64	5.56	5.56
Total Financial Assets		6,034.95	6,124.44	7,400.03	7,565.99

- The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including settlement obligation payable, deposits, creditors for capital expenditure, etc. are considered to be approximate as their fair values, due to current and short term nature of such balances.

- The fair value of taxable bonds, taxfree bonds, certificate of deposit with banks, government securities, 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.

Notes to consolidated financial statements for the year ended March 31, 2022

Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

- 41** a) IFSC Authority vide its circular dated March 31, 2022 has issued guidelines for Liquidity Enhancement Scheme. Further, IFSC Authority has advised exchanges to create a reserve specifically to meet incentives/expenses of the Liquidity Enhancement Scheme and the same would not be included in the networth calculation of the exchange.

During the current year, NSE IFSC Limited has credited amount equivalent to ₹10.78 crores (Previous Year : ₹10.54 crores) to LES Incentive reserve and ₹10.78 crores (Previous Year : ₹10.79 crores) was spent as incentive paid/payable to the trading members leaving a balance of ₹1 crore (Previous Year : ₹1 crore) in LES Incentive reserve as at March 31, 2022. Based on the past trend, the management is of the view that the balance in LES reserve as at March 31, 2022 is sufficient to meet the LES incentive payout for the following month.

- b) NSE IFSC LTD. in GIFT IFSC has set aside USD 15,000 (₹0.11 crores) in a separate bank account as amount earmarked for Investor Protection Fund.
- c) During the previous year ended March 31, 2021, NSE and Singapore Stock Exchange (SGX) had entered into a collaboration agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect which will bring together international and Gujarat International Finance Tec City (GIFT) participants to create a bigger liquidity pool for Nifty Products in Gift City, to develop the infrastructure for the connect and ensure member readiness prior to its implementation. Further, NSE IFSC on March 28, 2022 has entered into an operational agreement with SGX India Connect IFSC Private Limited, Singapore Exchange Derivatives Clearing Limited and NSE IFSC CC to operationalise the NSE IFSC-SGX Connect post all necessary regulatory approvals.
- d) NSE IFSC Limited had observed a technology glitch in their trading systems on July 22, 2021. As per the SOP specified by the regulator, the information of technical glitch was informed to IFSC Authority. While the company had submitted preliminary report within twenty-four hours of the occurrence of the glitch as per the SOP specified by the regulator, the Root cause analysis (RCA) and action taken Report for the incident was submitted to IFSC Authority on August 6, 2021. The IFSC Authority reviewed the RCA and action taken report and issued a letter dated September 20, 2021 advising the company to put in place necessary SOPs to avoid recurrence of such incident and further advised to provide a detailed status update report on subsequent measures implemented in the system. The company has implemented the measures in the system and closed the action items as stated in the RCA and action taken report and has updated/ informed IFSC Authority regarding the same vide letter dated September 29, 2021.
- 42** In the opinion of the Board, current assets and advances are approximately of the value stated and to be realised in the ordinary course of business.
- 43** (a) Gross amount required to be spent by the Group on Corporate Social Responsibility activities for the year ended March 31, 2022 is ₹58.48 crores. (Previous year: ₹43.83 crores)
- (b) Disclosures in relation to corporate social responsibility expenditure:

Particulars	(₹ in Crores)	
	31.03.2022 In cash	31.03.2021 In cash
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above incurred by NSE Foundation towards CSR	67.34	64.64
(iii) Contribution to PM Cares Fund	-	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 for the financial year ended March 31, 2021.

Notes to consolidated financial statements for the year ended March 31, 2022

44 During the financial year ended March 31, 2019, the Parent company NSE decided to co-opt the technology function internally and decided to absorb all the employees of NSE Infotech Limited (NSETECH) within NSE. Accordingly, effective 1st June 2018, all the employees of NSETECH were transferred to NSE. Pursuant to the transfer, the core operations of NSETECH in the nature of IT management and support services to NSE and its Group Companies ceased to exist. Accordingly, effective 1st June 2018 there was no revenue generated from the operations by NSETECH. In view of the same it is not practical for NSETECH to prepare its financial statements on a going concern basis. The total assets of NSETECH as at March 31, 2022 is ₹0.99 crores, which are at realisable value and other income for the year ending March 31, 2022 is ₹0.10 crores which is not material to the financial statement of the Group.

45 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(₹ in Crores)

31.03.2022	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*
Financial Assets					
Trade Receivables	1,294.87	-	1,294.87	-	(957.99)
31.03.2021					
Financial Assets					
Trade Receivables	787.45	-	787.45	-	(985.71)

*The collateral includes deposits from trading members.

46 BUSINESS COMBINATION

46.1 Calculation of Goodwill

(₹ in Crores)

Particulars	31.03.2022	31.03.2022	31.03.2021	31.03.2021
Opening Goodwill		395.93		128.56
<u>TalentSprint Private Limited</u>				
Consideration paid	-		126.00	
Less :- Net Identifiable Assets acquired	-		(0.26)	
Change in goodwill on account of TalentSprint Private Limited		-		125.74
<u>CXIO Technologies Private Limited</u>				
Consideration paid	18.00		-	
Non Controlling Interest acquired	4.61		-	
Less :- Net Identifiable Assets acquired	(11.53)		-	
Change in goodwill on account of CXIO Technologies Private Limited		11.08		-
<u>Cogencis Information Services Limited</u>				
Consideration paid	-		144.42	
Less:- Net Identifiable Assets acquired	-		(6.83)	
Goodwill arising due to additional consideration payable as per earn out agreement	-		-	
Change in goodwill of Cogencis Information Services Limited		-		137.59
Other changes in goodwill		3.88		4.04
Closing Goodwill		410.89		395.93

Notes to consolidated financial statements for the year ended March 31, 2022

46.2 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 by TalentSprint. During the year the subsidiary has recorded the redemption liability to acquire the remaining interest in TalentSprint at fair value amounting to ₹90.48 crores as at March 31, 2022.

46.3 NSEIT Limited, a subsidiary (Subsidiary) of NSE Investments Limited, has entered into Share Purchase and Share Holders Agreement (“Agreement”) with the Promoters and Shareholders of CXIO Technologies Private Limited (“CXIO”) vide agreement dated June 28, 2021 to purchase 100% equity shares of CXIO in multiple tranches. In accordance with the terms of the said agreement, the subsidiary acquired a controlling stake viz. 60% of the total equity shares on July 08, 2021 for a consideration of ₹18.00 crores in first tranche. As per the terms of the said agreement, the subsidiary is entitled to purchase the balance 40% equity shares in subsequent tranches on variable consideration based on the financial performance of CXIO. The commitment to purchase the balance equity shares has been considered as a redemption liability. During the year the subsidiary has recorded the redemption liability to acquire the remaining interest in CXIO at fair value amounting to ₹90.82 crores as at March 31, 2022.

46.4 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 .

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								
March 31, 2022	67.34%	10,382.99	95.47%	4,962.61	119.19%	(17.30)	95.40%	4,945.31
March 31, 2021	61.02%	7,099.88	53.91%	1,926.39	159.41%	10.30	54.10%	1,936.69
Subsidiaries (group’s share)								
NSE Clearing Limited								
March 31, 2022	6.46%	996.74	2.14%	111.07	(0.82)%	0.12	2.14%	111.19
March 31, 2021	5.12%	595.98	(0.36)%	(12.99)	(1.64)%	(0.11)	(0.37)%	(13.10)

Notes to consolidated financial statements for the year ended March 31, 2022

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
NSE Indices Limited								
March 31, 2022	2.47%	380.81	1.33%	69.20	0.08%	(0.01)	1.33%	69.18
March 31, 2021	2.94%	342.60	2.22%	79.42	0.19%	0.01	2.22%	79.43
NSE Data & Analytics Limited								
March 31, 2022	2.16%	332.33	2.15%	111.75	(0.02)%	0.00	2.16%	111.75
March 31, 2021	2.30%	267.94	2.79%	99.86	(0.02)%	(0.00)	2.79%	99.86
NSE Infotech Services Limited								
March 31, 2022	0.01%	0.93	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
March 31, 2021	0.02%	1.92	0.00%	0.09	-	-	0.00%	0.09
NSEIT Limited								
March 31, 2022	1.15%	177.38	(2.51)%	(130.67)	4.60%	(0.67)	(2.53)%	(131.34)
March 31, 2021	1.96%	228.04	(1.97)%	(70.46)	(13.65)%	(0.88)	(1.99)%	(71.34)
NSE Academy Limited								
March 31, 2022	0.32%	49.46	0.09%	4.42	0.25%	(0.04)	0.08%	4.39
March 31, 2021	1.21%	141.09	0.08%	2.92	-	-	0.08%	2.92
NSE Investment Limited								
March 31, 2022	14.93%	2,302.47	1.83%	94.90	-	-	1.83%	94.90
March 31, 2021	19.74%	2,296.89	44.12%	1,576.77	-	-	44.05%	1,576.77
NSE IFSC Limited								
March 31, 2022	0.46%	71.42	(0.80)%	(41.68)	(10.92)%	1.59	(0.77)%	(40.09)
March 31, 2021	0.35%	40.53	(0.96)%	(34.16)	(14.76)%	(0.95)	(0.98)%	(35.11)
NSE IFSC Clearing Corporation Limited								
March 31, 2022	0.30%	46.24	(0.18)%	(9.20)	(10.19)%	1.48	(0.15)%	(7.72)
March 31, 2021	0.47%	55.21	(0.22)%	(7.81)	(23.31)%	(1.51)	(0.26)%	(9.32)
NSE Foundation								
March 31, 2022	0.17%	26.81	(1.28)%	(66.38)	-	-	(1.28)%	(66.38)
March 31, 2021	0.35%	40.57	(1.55)%	(55.51)	-	-	(1.55)%	(55.51)
Aujas Cybersecurity Limited								
March 31, 2022	0.17%	26.96	(0.28)%	(14.66)	1.70%	(0.25)	(0.29)%	(14.91)
March 31, 2021	0.34%	39.33	0.04%	1.57	10.60%	0.69	0.06%	2.26

Notes to consolidated financial statements for the year ended March 31, 2022

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
Cogencis Information Services Limited								
March 31, 2022	0.16%	25.40	0.29%	15.22	0.48%	(0.07)	0.29%	15.15
March 31, 2021	0.09%	10.03	0.09%	3.19	(4.96)%	(0.32)	0.08%	2.87
TalentSprint Private Limited								
March 31, 2022	0.06%	9.91	(0.03)%	(1.38)	0.65%	(0.09)	(0.03)%	(1.48)
March 31, 2021	0.06%	6.82	(0.03)%	(0.95)	0.55%	0.04	(0.03)%	(0.91)
CXIO Technologies Private Limited								
March 31, 2022	0.10%	14.73	0.05%	2.72	0.32%	(0.05)	0.05%	2.67
March 31, 2021	-	-	-	-	-	-	-	-
Foreign Subsidiaries								
NSE.IT (US) Inc.								
March 31, 2022	0.00%	0.70	0.28%	14.46	(1.44)%	0.21	0.28%	14.68
March 31, 2021	0.02%	2.44	0.12%	4.26	2.41%	0.16	0.12%	4.42
TalentSprint INC								
March 31, 2022	0.01%	1.48	0.04%	1.90	(0.34)%	0.05	0.04%	1.95
March 31, 2021	-	-	-	-	-	-	-	-
Non-Controlling Interest in all subsidiaries								
March 31, 2022	0.05%	7.85	0.06%	3.32	0.24%	(0.03)	0.06%	3.29
March 31, 2021	0.00%	0.02	(0.01)%	(0.30)	0.26%	0.02	(0.01)%	(0.28)
Associates (Investment as per equity method)								
National Securities Depository Limited								
March 31, 2022	1.76%	270.89	0.82%	42.74	4.55%	(0.66)	0.81%	42.08
March 31, 2021	1.90%	221.07	0.96%	34.17	(6.72)%	(0.43)	0.94%	33.74
NSDL e-Governance Infrastructure Limited								
March 31, 2022	1.58%	242.90	0.56%	29.08	(4.68)%	0.68	0.57%	29.75
March 31, 2021	1.85%	215.19	0.80%	28.63	(8.30)%	(0.54)	0.78%	28.09

Notes to consolidated financial statements for the year ended March 31, 2022

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
Receivables Exchange Of India Limited								
March 31, 2022	0.05%	7.23	0.00%	(0.10)	(0.14)%	0.02	0.00%	(0.07)
March 31, 2021	0.06%	7.30	(0.04)%	(1.57)	(0.06)%	(0.00)	(0.04)%	(1.56)
Indian Gas Exchange Limited								
March 31, 2022	0.13%	19.58	0.01%	0.35	(0.07)%	0.01	0.01%	0.36
March 31, 2021	0.16%	19.11	0.00%	(0.09)	(0.01)%	(0.00)	0.00%	(0.09)
Capital Quant Solutions Private Limited								
March 31, 2022	0.02%	2.99	0.00%	0.01	-	-	0.00%	0.01
March 31, 2021	0.03%	2.99	0.00%	(0.01)	-	-	0.00%	(0.01)
BFSI Skill Sector Council of India								
March 31, 2022	0.01%	1.00	-	-	-	-	-	-
March 31, 2021	0.01%	1.00	-	-	-	-	-	-
India International Bullion Holding IFSC Limited								
March 31, 2022	0.12%	19.09	(0.03)%	(1.40)	(3.43)%	0.50	(0.02)%	(0.90)
March 31, 2021	-	-	-	-	-	-	-	-
Joint Venture (Investment as per equity method)								
Market Simplified India Limited								
March 31, 2022	-	-	-	-	-	-	-	-
March 31, 2021	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation								
March 31, 2022	-	-	-	-	-	-	-	-
March 31, 2021	-	-	-	-	-	-	-	-
Total								
March 31, 2022	100.00%	15,418.28	100.00%	5,198.29	100.00%	(14.52)	100.00%	5,183.77
March 31, 2021	100.00%	11,635.95	100.00%	3,573.42	100.00%	6.46	100.00%	3,579.88

Notes to consolidated financial statements for the year ended March 31, 2022

48 Other events after the reporting period

Dividend:

The Board of Directors have recommended the payment of final dividend of ₹42 per fully paid equity shares (FV ₹ 1 each) (March 31, 2021 : ₹24.75 per fully paid equity share (FV ₹1 each)).

- 49** NSE has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of a registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI comprehensively reviewed the existing framework 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 had paid ₹1,701 crores to NSE Investor Protection Fund Trust (NSE IPFT) during the year ended March 31, 2021. Additionally, the Company had also provided ₹121.05 crores in relation to the investors' claims related to defaulted members, which was paid in current year. This provision is estimated by applying past historical experience of claims admitted and paid to the outstanding claims through the date of approval of the financial statements including the maximum amount that can be paid to each investor in accordance with trust deed of NSE IPFT. Accordingly, an amount of ₹1,822.05 crores was 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. The Company has assessed the adequacy of the IPF corpus as at March 31, 2022 and has made payments of ₹118.20 crores and provision of ₹32.25 crores in relation to the investor claims pertaining to defaulted members received and yet to be processed by NSE IPFT as at year-end. Accordingly, aggregate expense of ₹150.45 crores has been included as part of other expenses in the statement of profit and loss for the year ended March 31, 2022.
- 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) was reversed during the previous year ended March 31, 2021, and the same had 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** a) During the year, NSE Clearing Limited (NCL) a subsidiary of NSE has terminated a contract pertaining to clearing and settlement system and an amount of ₹83.86 crores was received towards the same. Accordingly, provision for impairment of intangible asset under development pertaining to the said contract made in the previous year ended March 31, 2021 amounting to ₹68.23 crores has been reversed and the balance amount of ₹15.63 crores is treated as settlement compensation and disclosed as an exceptional item.
- b) During the year, NSEIT (US) Inc. a step down subsidiary of NSE, has terminated a contract with NASDAQ Technology AB, Sweden (Nasdaq) for provision of software services and as a compensation an amount of USD 753,280 (₹5.47 crores) was received towards the same. This amount has been disclosed as an exceptional item.
- 53** In accordance with the relevant provisions of the Companies Act, 2013, the Group and its associates has long term contracts as of March 31, 2022 and 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, 2022 and March 31, 2021.

Notes to consolidated financial statements for the year ended March 31, 2022

54 For the year ended March 31, 2022 and March 31, 2021, the Group and its associates is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

55 Additional Regulatory Information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful Defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off Companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layer of Companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) Utilisation of Borrowed funds and Share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Group to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Group has not received any fund from any party (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Loans or advances to specified persons

The Group has not granted any loans or advances to promoters, directors, KMP's and related parties either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment"

(ix) Details of crypto currency of virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Notes to consolidated financial statements for the year ended March 31, 2022

(xi) Core Investment Company (CIC)

The Group has one subsidiary company namely NSE Investments Limited which is a deemed CIC and is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.

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 6, 2022

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

Yatrik Vin

Group CFO & Head Corporate Affairs

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

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	(₹ in Crores)															
	NSE Clearing Limited (Formerly known as National Securities Clearing Corporation) Limited	NSE Investments Limited (Formerly known as NSE Strategic Investments Limited) (Note 1)	NSE IFSC Limited	NSE Data & Analytics Limited (Formerly known as Dotex International Limited) (Note 1)	NSE Indices Limited (Formerly known as India Index Services & Products Limited) (Note 1)	NSE 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)	CXIO Technologies Private Limited (Note 8)	TalentSprint Inc. (Note 9)
The date since when subsidiary was acquired	31-Aug-95	31-Jan-13	29-Nov-16	02-Jun-00	02-Aug-06	29-Oct-99	12-Mar-16	02-Aug-06	04-Dec-06	02-Dec-16	05-Mar-18	22-Mar-19	10-Nov-20	21-Jan-21	08-Jul-21	29-Nov-21
Reporting date	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Share Capital	45.00	825.99	250.00	9.00	1.30	10.00	10.00	0.05	5.34	90.00	0.05	27.11	0.94	5.13	0.31	0.38
Reserves and Surplus	1,074.83	2,123.74	-179.24	329.41	391.99	177.19	-11.82	0.87	-4.64	-44.49	30.37	2.21	-2.47	20.04	14.42	1.10
Total Assets	15,507.76	2,952.45	107.49	374.81	407.13	474.02	155.99	1.00	2.69	75.53	31.79	106.23	49.35	41.25	32.18	6.08
Total Liabilities	15,507.76	2,952.45	107.49	374.81	407.13	474.02	155.99	1.00	2.69	75.53	31.79	106.23	49.35	41.25	32.18	6.08
Investments	4,687.58	2,933.67	-	152.23	377.67	135.76	132.90	0.96	-	-	12.64	-	0.38	-	-	-
Turnover	728.99	233.64	1.23	174.63	221.61	405.19	23.61	0.10	9.54	0.40	59.92	213.18	67.97	66.19	73.51	5.87
Profit before Taxation	595.34	218.45	-53.06	104.81	204.66	-8.31	-11.88	0.04	6.73	-10.07	-9.83	-0.70	-3.28	20.30	11.74	1.47
Provision for Taxation	134.79	-4.83	-	26.40	50.94	0.50	-0.54	0.04	-0.02	-	-	-0.84	-1.97	5.11	3.40	0.42
Profit after Taxation	460.55	223.28	-53.06	78.40	153.72	-8.82	-11.34	-0.00	6.75	-10.07	-9.83	0.14	-1.31	15.19	8.34	1.05
Proposed Dividend	180.00	-	-	31.50	139.10	1.00	-	0.60	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	73.62%	100%	60%	73.62%

Notes:-

- NSE Data & Analytics Limited, NSE Indices Limited, NSEIT Limited, NSE Infotech Services Limited and NSE Academy Limited are wholly owned subsidiaries of NSE Investments Limited.
- NSEIT (US) INC is a wholly owned subsidiary of NSEIT LTD. The reporting currency of the company is USD. The financial information of NSEIT (US) INC. have been translated into INR at the closing rate at March 31, 2022
- NSE IFSC Clearing Corporation Limited is a wholly owned subsidiary of NSE Clearing Limited.
- NSE Foundation is incorporated under Section 8 of Companies Act, 2013.
- Aujas Cybersecurity Limited is a wholly owned subsidiary of NSEIT Limited.
- TalentSprint Private Limited is a subsidiary of NSE Academy Limited.
- Cogencis Information Services Limited is a wholly owned subsidiary of NSE Data & Analytics Limited.
- CXIO Technologies Private Limited is a subsidiary of NSEIT Limited.
- TalentSprint Inc. is a wholly owned subsidiary of TalentSprint Private Limited. The reporting currency of the company is USD. The financial information of TalentSprint Inc. have been translated into INR at the closing rate at March 31, 2022.

Part “B” Associates/Joint Ventures
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	National Securities Depository Limited	Protean eGov Technologies Ltd. (formerly known as NSDL e-Governance Infrastructure Limited)	Market Simplified India Limited	Power Exchange India Limited	Receivables Exchange India Limited	BFSI Sector Skill Council of India	Capital Quant Solutions Private Limited	Indian Gas Exchange Limited	India International Bullion Holding IFSC Limited
Latest audited Balance Sheet Date	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2022	March 31, 2022
Date on which the Associate or Joint Venture was associated or acquired	15-Feb-10	15-Feb-10	30-Nov-11	20-Feb-08	25-Feb-16	16-Sep-11	26-Feb-21	16-Mar-21	04-Jun-21
Share of Associate held by the group at the above mentioned reporting date									
Number of Equity Shares	96,00,000	1,00,18,000	45,05,175	2,00,00,030	1,50,00,000	1,00,00,000	12,410	1,92,07,500	20,00,00,000
Amount of Investment in Associates	58.92	55.10	4.51	20.05	15.00	1.00	3.00	19.21	20.00
Extend of Holding %	24.00%	25.05%	30.00%	34.21%	30.00%	49.00%	17.00%	25.61%	21.39%
Description of how there is significant influence	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 2	Note 1	Note 1
Reason why the associate is not consolidated	NA	NA	NA	NA	NA	Note 3	NA	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	244.63	167.41	5.89	11.12	7.24	2.75	0.69	16.73	NA
Profit/Loss for the year									
i. Considered in Consolidation	55.50	35.82	-	-	-0.10	-	0.01	0.46	-1.41
ii. Not considered in Consolidation	-	-	-	-	-	-	-	-	-

Notes:-

- The group has significant influence through holding more than 20.00% of the equity shares in the investee company in terms of Indian Accounting Standard (Ind AS) 28, Investments in Associates and Joint Ventures.
- The group has significant influence through Management rights in the investee company in terms of Indian Accounting Standard (Ind AS) 28 - Investments in Associates and Joint Ventures.
- BFSI Sector Skill Council of India is a company incorporated under section 8 of Companies Act, 2013, and has set up with the aim of enhancing skill development across the BFSI sector leading to greater efficiency, productivity and sustained growth wherein the profits will be applied for promoting its objects. Therefore the same is not considered while consolidation.

For and on behalf of the Board of Directors

Girish Chandra Chaturvedi
Chairman
[DIN: 00110996]

K. Narasimha Murthy
Director
[DIN: 00023046]

Vikram Limaye
Managing Director & CEO
[DIN: 00488534]

Yatrik Vin
Group CFO & Head Corporate Affairs

Rohit Gupte
Company Secretary

Place : Mumbai
Date : May 06, 2022

Independent Auditor's Report

To the Members of

National Stock Exchange of India Limited

Report on the Audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of National Stock Exchange of India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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, 2022 and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw your attention to Note 31 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 ₹687.47 crores (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the Company pursuant to an investigation conducted in relation to preferential access to tick-by-tick data at the Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters. SEBI further directed the Company to undertake certain remedial measures, actions and imposed restrictions. The Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above orders. Adjudication 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 ₹1 crore. The Company has deposited ₹1,107.47 crores with SEBI in respect of these orders. The Company has filed appeals to contest the aforesaid orders with the Hon'ble Securities Appellate Tribunal, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Company, no provision for any liability has been made towards the aforesaid demand from the orders, including any monetary penalty from the pending as well as concluded Adjudication proceedings in the standalone financial statements. Our opinion is not modified in respect of these matters.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><u>Assessment of provisions made and contingent liabilities disclosed with regard to legal, regulatory and tax matters</u> [Refer Note 31 to the standalone financial statements]</p> <p>As of March 31, 2022, the Company has ongoing regulatory proceedings, inspections and inquiries with various regulatory authorities including SEBI (other than that described in the Emphasis of Matter paragraph above), ongoing proceedings with tax authorities involving certain direct and indirect tax matters including disallowance of certain expenses under income tax (uncertain tax positions), applicability of service tax on certain services, case filed by a competitor against the Company lying under Competition Appellate Tribunal and various other ongoing litigations, including claims by its members.</p> <p>The Company has assessed the above pending matters related to litigations, regulatory proceedings, inspections and inquiries and has made provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements.</p> <p>This area is considered as a key audit matter, as evaluation of these matters requires Management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outcome of ongoing proceedings and outflow of economic resources, if any, and the recognition of provisions, disclosure of contingent liabilities and related disclosures to be made in the standalone financial statements.</p>	<p>Our audit procedures included the following–</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and testing the operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters. • Obtaining details of litigations in respect of legal, direct and indirect tax matters, SEBI and other regulatory proceedings, inspections, inquiries. • Examining 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>

Other Information

6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the 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 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 financial statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the 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 financial statements

9. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

10. 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 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 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 financial statements, including the disclosures,

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the standalone financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2022 - Refer Note 45 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, 2022 – Refer Note 46 to the standalone financial statements;
 - iv. (a) The Company's Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other

- person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 41 (vii) to the standalone financial statements;
- (b) The Company’s Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 41 (vii) to the standalone financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with the provision of section 123 of the Act.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth*Partner*

Membership Number 105869

UDIN: 22105869AIMTOK6229

Place: Mumbai

Date: May 06, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15 (f) of the Independent Auditor's Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements as of and for the year ended March 31, 2022.

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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

6. A company's internal financial 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth

Partner

Membership Number 105869

UDIN: 22105869AIMTOK6229

Place: Mumbai

Date: May 06, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of National Stock Exchange of India Limited on the standalone financial statements as of and for the year ended March 31, 2022.

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 2 on Property, Plant and Equipment to the standalone financial statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii) (a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of ₹5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) During the year, the Company has made investments in companies and has not granted secured or unsecured loans or advances in nature of loans, or stood guarantee, or provided security to any company, firm, limited liability partnership or other party.
(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.
(c) The Company has not granted secured or unsecured loans or advances in nature of loans, or stood guarantee, or provided security to any party. Therefore, the reporting under clause 3 (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the investments made. The Company has not given any loan, guaranty or security.
- v. The Company has not accepted any deposits or amounts which are deemed to be 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 products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 33 to the standalone financial statements

regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and service

tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 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
			2013-2014	5.06	Appeal pending to be filed with 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)
			2017-2018	9.42	Commissioner of Income Tax (Appeal)
			2019-2020	7.14	Commissioner of Income Tax (Appeal)
2.	Wealth Tax Act, 1957	Wealth Tax	2000-2001	0.11	Income Tax Appellate Tribunal, Mumbai - Wealth Tax Bench
3.	Chapter V of Finance Act, 1994	Service Tax	2004-2005 to 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 filed 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. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company does not have any loans or other borrowings from any lender as at the balance sheet date, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we

report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) As the Company has not raised any funds during the year, the reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone

financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, or associate companies.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT- 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the Management of the Company, the Group has one CIC as part of the Group as detailed in note 41 (xiii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 41 (xv) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E / E- 300009

Sumit Seth*Partner*

Membership Number 105869

UDIN: 22105869AIMTOK6229

Place: Mumbai

Date: May 06, 2022

Balance Sheet as at March 31, 2022

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-current assets			
Property, plant and equipment	2	818.27	635.81
Right-of-use-assets	2(b)	138.00	93.60
Capital work-in-progress	2	69.55	7.84
Other intangible assets	3	48.47	43.42
Intangible assets under development	3	52.50	30.83
Investment in subsidiaries and associates	4	1,161.67	1,056.67
Financial assets			
- Investments	4	2,590.39	1,835.10
- Other financial assets			
Non-current bank balances	5 (a)	94.99	577.43
Others	5 (b)	9.59	15.76
Income tax assets (net)	18	339.75	374.34
Other non-current assets	6	1,124.15	717.78
Total non-current assets		6,447.33	5,388.58
Current assets			
Financial assets			
- Investments	7	6,745.65	4,450.00
- Trade Receivables	8	1,336.17	834.82
- Cash and cash equivalents	9	102.57	39.42
- Bank balances other than cash and cash equivalents	10	1,750.23	891.03
- Other financial assets	5(b)	165.68	341.84
Other current assets	6	174.05	146.51
Total current assets		10,274.35	6,703.62
TOTAL ASSETS		16,721.68	12,092.20
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	11a	49.50	49.50
Other equity	11b	11,498.30	8,119.67
TOTAL EQUITY		11,547.80	8,169.17

Balance Sheet (contd...)

(₹ in Crores)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liabilities	35	74.02	29.14
Other financial liabilities	13	15.49	12.96
Provisions	15	32.82	14.11
Deferred tax liabilities (net)	16(d)	12.89	7.22
Contract Liabilities	14	58.11	21.23
Other non-current liabilities	19	5.41	5.41
Total non-current liabilities		198.74	90.07
Current liabilities			
Financial liabilities			
Lease Liabilities	35	8.70	4.33
Deposits	20	1,086.18	1,047.51
Trade payables	12		
Total Outstanding dues of micro enterprises and small enterprises		2.21	1.14
Total Outstanding dues of creditors other than micro enterprises and small enterprises		214.20	184.50
Other financial liabilities	13	542.47	171.92
		1,853.76	1,409.40
Contract Liabilities	14	2.69	1.08
Provisions	15	88.45	67.59
Income tax liabilities (net)	17	228.60	140.09
Other current liabilities	19	2,801.64	2,214.80
Total current liabilities		4,975.14	3,832.96
TOTAL LIABILITIES		5,173.88	3,923.03
TOTAL EQUITY AND LIABILITIES		16,721.68	12,092.20
Summary of significant accounting policies	1		
The above balance sheet should be read in conjunction with the accompanying notes			

This is the Balance sheet referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

For and on behalf of the Board of Directors**Sumit Seth**

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 6, 2022

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Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
INCOME			
Revenue from operations	21	7,762.80	4,848.29
Other income	22	621.80	617.76
Total income		8,384.60	5,466.05
EXPENSES			
Employee benefits expense	23	274.28	212.14
Clearing & settlement charges		458.23	284.94
Depreciation and amortisation expense	2, 3, 35	259.72	166.15
Other expenses	24	1,288.55	767.31
Total expenses		2,280.78	1,430.54
Profit before exceptional items, reversal of contribution to Core SGF and tax		6,103.82	4,035.51
Less: Exceptional items			
Contribution to Investor Protection Fund Trust (IPFT)	42	-	(1,822.05)
Profit after exceptional Items, before reversal of contribution to Core SGF and Tax		6,103.82	2,213.46
Add: Reversal of Contribution to Core Settlement Guarantee Fund (Core SGF)	43	-	62.08
Profit before tax		6,103.82	2,275.54
Less: Income tax expense			
Current tax	16(b)	1,470.00	504.62
Deferred tax	16(b)	12.71	(16.36)
Total tax expenses		1,482.71	488.26
Profit for the year (A)		4,621.11	1,787.28
Other comprehensive income			
Items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	(16.85)	7.41
Income tax relating to items that will be reclassified to profit or loss			
Changes in fair value of FVOCI debt instruments	11b	4.24	(1.87)
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	(1.16)	0.46
Changes in fair value of FVOCI equity instruments	11b	(6.37)	4.52
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	11b	0.29	(0.12)
Changes in fair value of FVOCI equity instruments	11b	2.50	(0.09)
Total other comprehensive income / (loss) for the year, net of taxes (B)		(17.35)	10.31
Total comprehensive income for the year (A)+(B)		4,603.76	1,797.59
Earnings per equity share (Face value of ₹1 each)			
- Basic and Diluted (₹)	25	93.36	36.11
Summary of significant accounting policies	1		
The above statement of profit and loss should be read in conjunction with the accompanying notes			

This is the Statement of Profit & loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 6, 2022

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2022

(A) Equity share capital

(₹ in Crores)

Balance as at April 01, 2020	49.50
Changes in equity share capital during the year	-
Balance as at March 31, 2021	49.50
Balance as at April 01, 2021	49.50
Changes in equity share capital during the year	-
Balance as at March 31, 2022	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		Equity instruments through other comprehensive income	Debt instruments through other comprehensive income		
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 / (loss)	-	0.34	-	0.34	4.43	5.54	9.97	10.31
Transaction with owners in their capacity as owners								
Dividend paid (including dividend distribution tax)	-	(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
Balance at the April 1, 2021	35.50	8,000.64	11.50	8,047.64	58.03	14.00	72.03	8,119.67
Profit for the year	-	4,621.11	-	4,621.11	-	-	-	4,621.11
Other Comprehensive Income / (loss)	-	(0.87)	-	(0.87)	(3.87)	(12.61)	(16.48)	(17.35)
Transaction with owners in their capacity as owners								
Dividend paid	-	(1,225.13)	-	(1,225.13)	-	-	-	(1,225.13)
Balance as at March 31, 2022	35.50	11,395.75	11.50	11,442.75	54.16	1.39	55.55	11,498.30

Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

Other Reserves:

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities.

Equity instruments through other comprehensive income:

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Debt instruments through other comprehensive income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

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 6, 2022

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

Yatrik Vin

Group CFO & Head Corporate Affairs

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Rohit Gupte

Company Secretary

Statement of Cash Flows for the year ended March 31, 2022

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
A) CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT BEFORE TAX		6,103.82	2,275.54
Adjustments for			
Depreciation and amortisation expense	2, 3	259.72	166.15
Interest on lease liabilities	35(b)	6.66	3.84
(Reversal)/ Provision for doubtful debts		(2.13)	3.61
Bad debts written off	24	0.65	4.37
Interest income from financial assets at amortised cost	22	(122.12)	(62.77)
Interest income from financial assets designated at fair value through other comprehensive income	22	(55.65)	(36.12)
Income on Investments	21	(46.64)	(74.31)
Dividend income	22	(225.72)	(206.99)
Rent income		(2.96)	(6.07)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	22	(139.51)	(137.08)
Net gain on sale of financial assets measured at amortised cost	22	-	(9.73)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	22	(53.78)	(147.21)
Net profit on sale of property, plant and equipment	24	(0.21)	-
Change In operating assets and liabilities			
(Increase)/Decrease in trade receivables	8	(499.88)	(291.89)
Increase/(Decrease) in trade payables	12	30.77	59.43
(Increase)/Decrease in other financial assets	5	(30.09)	(3.22)
(Increase)/Decrease in other assets	6	(439.72)	4.94
Increase/(Decrease) in other financial liabilities	13	296.69	(32.27)
Increase/(Decrease) in contract liabilities	14	38.50	5.46
Increase/(Decrease) in provisions	15	38.42	(4.37)
(Refund) /Proceeds of deposits from trading members / applicants	20	38.66	14.40
Increase/(Decrease) in other liabilities	19	586.85	1,736.95
CASH GENERATED FROM OPERATIONS		5,782.33	3,262.66
Income taxes paid	17, 18	(1,346.91)	(513.18)
NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)		4,435.42	2,749.48
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment & intangibles	2, 3	(439.91)	(321.33)
Proceeds from rent income		2.96	6.07
Proceeds from property, plant and equipment		0.82	0.37
Payment for investment in a subsidiary and associate		(105.00)	(40.00)
Proceeds from sale of investments		26,758.85	22,591.80
Payment for purchase of investments		(29,659.04)	(23,578.54)
Proceeds from fixed deposits and certificate of deposits with banks		981.89	122.37
Proceeds from fixed deposits with financial institutions		298.10	265.00
Payment for investment in fixed deposits and certificate of deposits with banks		(1,326.79)	(1,381.03)
Payment for investment in deposits with financial institutions	5	(115.00)	(265.00)
Interest received	5, 22	241.15	168.79
Dividend received	22	225.72	206.99
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)		(3,136.25)	(2,224.51)

Statement of Cash Flows (contd...)

(₹ in Crores)

Particulars	Notes	For the year ended 31.03.2022	For the year ended 31.03.2021
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	11(b)	(1,224.97)	(544.50)
Payment of lease liability	35(b)	(4.39)	(6.06)
Interest on lease liabilities	35(b)	(6.66)	(3.84)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)		(1,236.02)	(554.40)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)		63.15	(29.43)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9	39.42	68.85
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9	102.57	39.42
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT		63.15	(29.43)
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>			
Cash and cash equivalents comprise of the following			
Balances with banks			
In current accounts	9	102.57	39.42
Balances as per statement of cash flows		102.57	39.42
Non-cash investing activities			
- Acquisition of Right-of-use assets	2(b)	53.64	-
- Conversion of preference shares into equity shares held in the subsidiary company	4	22.50	-

The Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Indian Accounting Standards) Rules, 2015.

The above statement of cash flows should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP

Chartered Accountants

Firm's Registration no : 304026E / E-300009

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date : May 6, 2022

Yatrik Vin

Group CFO & Head Corporate Affairs

Rohit Gupte

Company Secretary

Notes to the financial statements for the year ended March 31, 2022

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

The National Stock Exchange of India Limited (“NSE” or “the Company”) established in 1992 is the first demutualized electronic exchange in India. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the country. NSE offers trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments.

Note 1: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements (“financial statements”). These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Company has determined current and non-current classification of its assets and liabilities in the financial statements as per Ind AS 1 – ‘Presentation of financial statements’. Based on its assessment, the company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities.

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below:

The Financial Statements for the year ended March 31, 2022 has been approved by the Board of Directors of the Company in their meeting held on May 6, 2022.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value, and
- defined benefit plans - plan assets are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the financial statements for the year ended March 31, 2022

(iii) Adoption of new Accounting Standards and amendments

The following new standards and amendments are effective for the first time for the period commencing from April 1, 2021.

- Extension of COVID-19 related rent concessions - amendments to Ind As 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments:

The amendments listed above did not have any impact on the amounts recognised in prior periods and current period.

Additionally, during the current year ended March 31, 2022 the company has complied with amendments to the schedule III - Division II notified by Ministry of Corporate Affairs vide notification dated March 24, 2021.

(b) Foreign currency translation and transactions

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

(c) 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 recognized 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 including revenue from colocation charges 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.

Notes to the financial statements for the year ended March 31, 2022

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 not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Company's tax expense and are based on the most likely amount or expected value that is to be disallowed by the taxing authorities whichever better predict the resolution of uncertainty. Uncertain tax balances are monitored and updated as and when new information becomes available, typically upon examination or action by the taxing authorities or through statute expiration.

The Company considers when a particular amount payable for interest and penalties on income taxes is determined to be within the scope of Ind AS 37, it is presented as part of financing cost or other expenses, respectively unless when there is an overall settlement with tax authority and the interest and penalties cannot be identified separately in which case it is determined to be part of income taxes and accounted under Ind AS 12.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at that date at which the lease asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Notes to the financial statements for the year ended March 31, 2022

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 a 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 recognizes 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 recognizes the lease payments as an operating expenses on a straight line basis over the term of the lease.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The right-of-use assets are initially recognized 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 recognized on straight line basis over the term of the relevant lease.

(f) Impairment of assets

Intangible assets that have an indefinite useful life and intangibles under development are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These do not include bank balances earmarked / restricted for specific purposes.

(h) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Notes to the financial statements for the year ended March 31, 2022

(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) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised under other income. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on financial assets that is subsequently measured at fair value through profit 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.

Notes to the financial statements for the year ended March 31, 2022

Equity investments (other than Investments in subsidiaries and associates)

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss.

Equity Investments (in subsidiaries and associates)

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The accounting policy on impairment of non-financial assets is disclosed in Note f above. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) De-recognition of financial assets

A financial asset is de-recognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Purchase and sale of investment are accounted at trade date.

(vi) Income recognition

Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Notes to the financial statements for the year ended March 31, 2022

Dividends

Dividends are recognised as other income in the statement profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(j) Financial liabilities

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

(iii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in the statement of profit and loss, except for the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability which is recognised in other comprehensive income.

(iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(l) Property, plant and equipment (including Capital Work In Progress)

Freehold land is carried at historical cost of acquisition. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Building	60 years
Furniture and fixture	5 to 10 years
Office equipment	4 to 5 years
Electrical equipment and installations	10 years
Computer systems office - automation	3 years
Computer systems – others	4 years
Telecommunication systems	4 years
Trading systems	4 years

Notes to the financial statements for the year ended March 31, 2022

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. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years.

(n) Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Research expenditure and development expenditure that do not meet the criteria in above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Computer software is amortised over a period of 4 years.

Notes to the financial statements for the year ended March 31, 2022

(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 recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in the statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet since the company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity 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

Notes to the financial statements for the year ended March 31, 2022

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.

(v) Bonus plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which are as under :

A. The variable pay component will not exceed one third of the total pay.

B. 50% of the variable pay will be paid on a deferred basis after three years.

(s) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Notes to the financial statements for the year ended March 31, 2022

(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.

(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 42

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

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022.

Notes to the financial statements for the year ended March 31, 2022

Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Notes to the financial statements for the year ended March 31, 2022

Note 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Freehold land	Owned building*	Office equipments	Electrical equipment & installations	Furniture & fixtures	Trading systems	Computer systems - office automation	Computer systems - others	Tele-communication systems	Total	Capital work in progress
Year ended March 31, 2021											
Gross carrying amount											
Opening as at April 1, 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 April 1, 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 March 31, 2021	32.20	134.48	26.46	45.97	24.19	19.45	8.66	248.87	95.52	635.81	7.84
Year ended March 31, 2022											
Gross carrying amount											
Opening as at April 1, 2021	32.20	183.39	108.03	115.99	69.75	111.86	33.26	502.10	282.78	1,439.36	7.84
Additions	-	-	16.01	18.51	3.03	26.46	5.90	160.69	179.92	410.52	472.23
Disposals	-	-	-	-	-	(2.20)	(0.10)	-	(0.64)	(2.94)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(410.52)
Closing gross carrying amount	32.20	183.39	124.04	134.50	72.78	136.12	39.06	662.79	462.06	1,846.94	69.55
Accumulated depreciation											
Opening as at April 1, 2021	-	48.91	81.57	70.02	45.56	92.41	24.60	253.23	187.26	803.56	-
Depreciation / Accelerated depreciation charge during the year	-	3.07	19.66	23.28	8.41	9.74	5.26	99.10	58.92	227.43	-
Disposals	-	-	-	-	-	(1.75)	-	-	(0.58)	(2.33)	-
Closing accumulated depreciation	-	51.98	101.23	93.30	53.97	100.40	29.86	352.33	245.60	1,028.67	-
Net carrying amount as at March 31, 2022	32.20	131.41	22.81	41.20	18.81	35.72	9.20	310.46	216.46	818.27	69.55

Notes to the financial statements for the year ended March 31, 2022

Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd.)

* Includes investment property for which cost and fair value details are as follows:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Net Carrying amount of Investment property	5.38	6.67
Fair Value of investment property [Refer note 2(a)(2)]	39.32	93.40
Depreciation	0.15	0.17
Rental Income	2.96	6.07
Direct operating expenses	(0.54)	(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, 2022 and as at March 31, 2021, 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(a)(3): Ageing of CWIP

(₹ in Crores)

Description	Amount of Capital Work In Progress as on March 31, 2022					Amount of Capital Work In Progress as on March 31, 2021				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	68.79	-	0.76	-	69.55	7.08	0.76	-	-	7.84
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

Note 2(a)(4): For capital-work-in progress (CWIP), whose completion is overdue or exceeded its cost compared to its original plan the projectwise details of when the project is expected to be completed is given below as of March 31, 2022.

(₹ in Crores)

Description	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
(i) Development of meters of windmill	0.76	-	-	-	0.76

There were no Projects overdue or projects which exceeded its cost compared to its original plan as of March 31, 2021.

Notes to the financial statements for the year ended March 31, 2022

Note 2 : PROPERTY, PLANT AND EQUIPMENT (contd...)

Note 2(b): Right-of-Use Asset

(₹ in Crores)

Particulars	Leasehold Land	Building	Total
Year ended March 31, 2021			
Gross carrying amount			
Opening as at April 1, 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 April 1, 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 March 31, 2021	74.71	18.89	93.60
Year ended March 31, 2022			
Gross carrying amount	107.61	26.33	133.94
Opening as at April 1, 2021			
Additions	-	53.64	53.64
Disposals	-	-	-
Transfers	-	-	-
Closing gross carrying amount	107.61	79.97	187.58
Accumulated depreciation			
Opening as at April 1, 2021	32.90	7.44	40.34
Depreciation charge during the year	1.30	7.94	9.24
Disposals	-	-	-
Closing accumulated depreciation	34.20	15.38	49.58
Net carrying amount as at March 31, 2022	73.41	64.59	138.00

Notes to the financial statements for the year ended March 31, 2022

Note 3 : INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer software	Computer software under development	Total
Gross carrying amount			
Opening as at April 1, 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 April 1, 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 March 31, 2021	43.42	30.83	74.25
Gross carrying amount			
Opening as at April 1, 2021	299.57	30.83	330.40
Additions	28.11	49.77	77.88
Deductions / written off	-	-	-
Transfers	-	(28.11)	(28.11)
Closing gross carrying amount	327.67	52.50	380.17
Accumulated amortisation			
Opening as at April 1, 2021	256.15	-	256.15
Amortisation for the year	23.06	-	23.06
Deductions	-	-	-
Closing accumulated amortisation	279.20	-	279.20
Net carrying amount as at March 31, 2022	48.47	52.50	100.97

Note: 3.1 Capital and other Contractual commitment Refer note 30

Note: 3.2 Significant estimate: Useful life of intangible assets. As at March 31, 2022, the net carrying amount of this software was ₹48.47 crores (March 31, 2021: ₹43.42 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.

Note: 3.3 Ageing of Intangibles under development

(₹ in Crores)

Description	Amount of Intangibles under development as on March 31, 2022				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	37.38	14.47	0.65	-	52.50
(ii) Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Description	Amount of Intangibles under development as on March 31, 2021				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Projects in progress	27.48	0.75	-	2.60	30.83
(ii) Projects temporarily suspended	-	-	-	-	-

Notes to the financial statements for the year ended March 31, 2022

Note 3 : INTANGIBLE ASSETS (contd...)

Note: 3.4 For Computer software under development, whose completion is overdue or exceeded its cost compared to its original plan, the projectwise details of when the project is expected to be completed is given below as of March 31, 2022.

(₹ in Crores)

Description	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
i) Process Transformation Projects	8.57	-	-	-	8.57
ii) Blockchain Development	-	1.06	-	-	1.06

There were no Projects overdue or projects which exceeded its cost compared to its original plan as of March 31, 2021.

Note 4 : NON-CURRENT INVESTMENTS

Particulars	31.03.2022		31.03.2021	
	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	4,50,00,000	5.64	4,50,00,000	5.64
NSE Investments Limited (Refer note 4.4)	43,55,21,703	435.64	41,30,21,703	413.14
NSE IFSC Limited (Refer note 4.3)	25,00,00,000	250.00	16,50,00,000	165.00
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
India International Bullion Holding IFSC Ltd	20,00,00,000	20.00	-	-
Total equity instruments		771.20		643.70
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 (Refer note 4.4)	39,04,71,703	390.47	41,29,71,703	412.97
Total preference shares		390.47		412.97
Total Investment in subsidiaries and associates		1,161.67		1,056.67
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	0.71	5,000	0.76
Total quoted equity instruments at FVOCI		0.71		0.76
B) Unquoted equity instruments				
In Companies at FVOCI				
National Commodity & Derivative Exchange Limited [Refer note 28(ii)]	76,01,377	119.87	76,01,377	126.19
Total unquoted equity instruments		119.87		126.19
IV Investment in bonds				
Quoted bonds at amortised cost				
(i) Tax free bonds (Refer note 4.2)		577.74		678.38
(ii) Taxable bonds (Refer note 4.2)		780.23		485.12
Total bonds		1,357.97		1,163.50

Notes to the financial statements for the year ended March 31, 2022

Note 4 : NON-CURRENT INVESTMENTS (contd...)

Particulars	31.03.2022		31.03.2021	
	Number of Units	(₹ in Crores)	Number of Units	(₹ in Crores)
V Investment in government securities				
Quoted investment in government securities at FVOCI (Refer note 4.2)		1,111.84		544.65
Total Investment other than in subsidiaries and associates		2,590.39		1,835.10
Total non-current investments		3,752.06		2,891.77
Aggregate amount of quoted investments		2,470.52		1,708.91
Aggregate market value of quoted investments		2,537.12		1,796.69
Aggregate amount of unquoted investments		1,281.54		1,182.86

- 4.1 In the earlier year, the Company has written down the value of its investment in equity shares of NSE Foundation amounting to ₹0.04 crores, since, it has been set up to carry out CSR activities for the Company and will not have profits which can be distributed to the Company.
- 4.2 The Investments as on March 31, 2021 includes investment in Tax free bonds ₹678.38 crores, investment in Taxable bonds ₹485.12 crores and investment in government securities ₹544.65 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 recognized as at March 31, 2022.
- 4.4 During the current year, Preference shares held in NSE Investments Ltd have been converted into equity shares amounting to ₹22.50 crores.

Note 5 : OTHER FINANCIAL ASSETS

(₹ in Crores)

Particulars	31.03.2022		31.03.2021	
	Non-current	Current	Non-current	Current
Non-current bank balances				
Fixed deposits with maturity for more than 12 months (Refer note 5.3)	16.91	-	515.63	-
Earmarked fixed deposits with maturity for more than 12 months (Refer note 5.1)	78.08	-	61.80	-
Total (a)	94.99	-	577.43	-
Others				
Security deposit for utilities and premises	3.33	-	2.57	-
Receivable from related parties (Refer note 29b)	-	8.91	-	7.37
Interest accrued on Bank deposits & Tax free bonds (Refer note 5.4)	6.26	34.45	13.19	18.05
Other receivables	-	6.94	-	7.47
Other Deposits				
Deposits with financial institutions at amortised cost (Refer note 5.2)	-	115.38	-	308.95
Total (b)	9.59	165.68	15.76	341.84

- 5.1 Earmarked deposits are restricted and includes deposits towards listing entities, defaulter members, investor services fund and other restricted deposits.
- 5.2 The previous year amount 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 The previous year amount include an amount of ₹500.54 crores 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)]
- 5.4 The previous year amount include an amount of ₹23.97 crores on bank deposits and tax free bonds pertaining to Colocation and have been earmarked/ restricted based on SEBI directives. [Refer Note 31(i)(a)]

Notes to the financial statements for the year ended March 31, 2022

Note 6 : OTHER ASSETS

(₹ in Crores)

Particulars	31.03.2022		31.03.2021	
	Non-current	Current	Non-current	Current
Capital advances	1.39	-	7.20	-
Deposit with SEBI - Colocation [Refer note 31(i)(a)]	1,107.47	-	687.47	-
Other Advances recoverable	-	15.68	-	14.35
Balances with statutory authorities	-	80.93	-	75.60
Prepaid expenses	4.68	77.44	12.51	56.56
Securities Transaction Tax paid (Refer note 6.1)	10.61	-	10.60	-
	1,124.15	174.05	717.78	146.51

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).

Note 7 : CURRENT INVESTMENTS

Particulars	31.03.2022		31.03.2021	
	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 (Refer note 7.1)		96.33		22.71
B) Investment in debentures				
(i) Quoted debentures at amortised cost		80.13		80.13
Less: Impairment losses on financial assets (Refer note 7.3)		(80.13)		(80.13)
Total quoted debentures		-		-
C) Investment in Government Securities		719.87		-
D) Investment in mutual funds				
(i) Quoted investments in mutual funds at FVPL (Refer note 7.1)		478.03		187.02
(ii) Unquoted investments in mutual funds at FVPL (Refer note 7.1 and 7.2)		5,451.42		4,240.27
Total Investment in Mutual Funds		5,929.45		4,427.29
Total current investments		6,745.65		4,450.00
Aggregate amount of quoted investments		1,294.23		209.74
Aggregate market value of quoted investments		1,296.93		210.24
Aggregate amount of unquoted investments		5,451.42		4,250.37
Aggregate amount of impairment in the value of investments		80.13		80.13

7.1 The Investments as on March 31, 2021 includes investment in Tax free bonds ₹22.71 crores and investment in mutual funds ₹2,377.11 crores earmarked / restricted pursuant to the SEBI directive in the colocation matter [Refer also Note 31(i)(a)].

7.2 The investments in mutual funds includes ₹16.26 crores (March 31, 2021: ₹11.41 crores) invested from contribution received from issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" as per SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020.

7.3 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 recognized 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, 2022

Note 9 : CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Balances with banks : in current accounts	102.56	39.41
Cash on hand	0.01	0.01
	102.57	39.42

Note 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Balances with banks : in current accounts (Refer note 10.1)	47.34	19.04
Fixed Deposits (Refer note 10.2)		
- with original maturity for more than 3 months but less than 12 months	10.22	21.95
- with maturity of less than 12 months at the balance sheet date	507.82	688.24
Certificate of Deposits with banks	762.42	-
Earmarked Fixed Deposits (Refer note 10.3)		
- with original maturity for more than 3 months but less than 12 months	104.72	32.70
- with maturity of less than 12 months at the balance sheet date	317.55	129.10
Unpaid dividends	0.16	-
	1,750.23	891.03

10.1 This include an amount of ₹17.48 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 The previous year amount include an amount of ₹700.85 crores 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.

Note 11 a : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Authorised		
50,00,00,000 Equity Shares of ₹1 each.	50.00	50.00
(Previous year : 50,00,00,000 equity shares of ₹1 each)		
Issued, subscribed and paid-up		
49,50,00,000 equity shares of ₹1 each, fully paid up	49.50	49.50
(Previous year : 49,50,00,000 equity shares of ₹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.

Notes to the financial statements for the year ended March 31, 2022

Note 11 a : EQUITY SHARE CAPITAL (contd...)

A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Name of the Company	As at 31.03.2022		As at 31.03.2021	
	(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 31.03.2022		As at 31.03.2021	
	No.	% holding	No.	% holding
Life Insurance Corporation of India	5,30,55,000	10.72%	5,30,55,000	10.72%

Note 11 b : OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and Surplus				Other Reserves			Total
	Securities premium reserve	Retained earnings *	Other reserves	Total Reserves and Surplus	Equity instruments through other comprehensive income	Debt instruments through other comprehensive income	Total other reserves	
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
Dividend paid (including dividend distribution tax) (Refer Note 1 below)	-	(544.50)	-	(544.50)	-	-	-	(544.50)
Items of Other Comprehensive Income	-	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligations, net of tax	-	0.34	-	0.34	-	-	-	0.34
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	4.43	-	4.43	4.43
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	5.54	5.54	5.54
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
Balance at the April 1, 2021	35.50	8,000.64	11.50	8,047.64	58.03	14.00	72.03	8,119.67
Profit for the year	-	4,621.11	-	4,621.11	-	-	-	4,621.11
Dividend paid (Refer Note 2 below)	-	(1,225.13)	-	(1,225.13)	-	-	-	(1,225.13)
Items of Other Comprehensive Income	-	-	-	-	-	-	-	-
Remeasurements of post-employment benefit obligations, net of tax	-	(0.87)	-	(0.87)	-	-	-	(0.87)
Changes in fair value of FVOCI equity instruments, net of tax	-	-	-	-	(3.87)	-	(3.87)	(3.87)
Changes in fair value of FVOCI debt instruments, net of tax	-	-	-	-	-	(12.61)	(12.61)	(12.61)
Balance as at March 31, 2022	35.50	11,395.75	11.50	11,442.75	54.16	1.39	55.55	11,498.30

	31.03.2022	31.03.2021
*Includes General Reserves	3,690.00	3,690.00

Notes to the financial statements for the year ended March 31, 2022

Note 11 b : OTHER EQUITY (contd...)

Securities premium reserve :

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

Other Reserves:

The Company has in the past created Other Reserves for investor compensation activities and staff welfare activities.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Debt Instruments through Other Comprehensive Income:

The fair value change of the debt instruments measured at fair value through other comprehensive income is recognised in debt instruments through other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Note 1 : The Board of Directors, in their meeting held on June 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 2 : The Board of Directors, in their meeting held on June 18, 2021, proposed a dividend of ₹24.75/- per equity share which has been approved by the shareholders at the Annual General Meeting held on August 25, 2021. The total dividend paid during the year ended March 31, 2022 amounts to ₹1225.13 crores.

Note 12 : TRADE PAYABLES (CURRENT)

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Trade payables	153.69	140.95
Trade payables to MSME (Refer Note 32)	2.21	1.14
Trade payables to related parties (Refer note 29b)	60.51	43.55
Total	216.41	185.64

Ageing of Trade Payables as on March 31, 2022

(₹ in Crores)

Description	Outstanding for following periods from the due date				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed					
Trade Payables - MSME	2.21	-	-	-	2.21
Trade Payables - Others	205.29	4.82	-	4.10	214.20
Total					216.41

Ageing of Trade Payables as on March 31, 2021

(₹ in Crores)

Description	Outstanding for following periods from the due date				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Undisputed					
Trade Payables - MSME	1.14	-	-	-	1.14
Trade Payables - Others	177.57	3.14	-	3.80	184.50
Total					185.64

Notes to the financial statements for the year ended March 31, 2022

Note 13 : OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	31.03.2022		31.03.2021	
	Non-current	Current	Non-current	Current
Deposits - Premises	-	5.27	-	8.06
Creditors for capital expenditure	-	97.64	-	21.37
Defaulters fund pending claims	-	401.31	-	113.80
Unpaid Dividend	-	0.16	-	-
Other liabilities (Refer note 7.2 & 9.2)	15.49	38.09	12.96	28.69
Total	15.49	542.47	12.96	171.92

Note 14 : CONTRACT LIABILITIES

(₹ in Crores)

Particulars	31.03.2022		31.03.2021	
	Non-current	Current	Non-current	Current
Contract Liabilities related to Listing services	58.11	2.69	21.23	1.08
Total	58.11	2.69	21.23	1.08

14.1 Contract liabilities mainly consist of processing fees in relation to listing fees which is recognised on straightline basis over estimated period of 10 years.

Note 15 : PROVISIONS

(₹ in Crores)

Particulars	31.03.2022		31.03.2021	
	Non-current	Current	Non-current	Current
Employee benefits obligation				
Provision for gratuity	-	1.76	-	1.18
Provision for variable pay and other allowances	32.82	72.50	14.11	51.37
Provision for leave encashment	-	14.19	-	15.04
Total	32.82	88.45	14.11	67.59

Note 16 : INCOME TAXES

a) Income tax expense

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Income tax expense		
Current Tax		
Current tax expense	1,470.00	504.62
Adjustment for current tax of prior year	-	-
Total Current Tax	1,470.00	504.62
Deferred Tax		
(Increase) / Decrease in deferred tax assets	2.29	(31.13)
Increase / (Decrease) in deferred tax liabilities	10.42	14.77
Total deferred tax expense (benefit)	12.71	(16.36)
Total Income tax expenses*	1,482.71	488.26

*This excludes deferred tax (expense) / benefit on other comprehensive income of ₹7.03 crores for the year ended March 31, 2022 : for the year ended March 31, 2021 [₹(2.08) Crores]

Notes to the financial statements for the year ended March 31, 2022

Note 16 : INCOME TAXES (contd...)

(₹ in Crores)

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31.03.2022	31.03.2021
Profit before income tax expense	6,103.82	2,275.54
Tax rate (%)	25.168%	25.168%
Tax at the Indian Tax Rate	1,536.21	572.71
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Dividend income	(56.81)	(52.09)
Interest on tax free bonds	(12.49)	(12.59)
Expenditure related to exempt income	1.76	1.78
Others	14.04	(21.54)
Income Tax Expense	1,482.71	488.26

The applicable Indian statutory tax rate for year ended March 31, 2022 is 25.168% (March 31, 2021 : 25.168%).

c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Deferred income tax assets		
Provision for leave encashment	3.65	3.46
Others	47.55	49.74
Total deferred tax assets	51.20	53.20
Deferred income tax liabilities		
Property, plant and equipment and investment property	(1.86)	7.47
Financial Assets at Fair Value through OCI	7.39	14.14
Financial Assets at Fair Value through profit and Loss	58.54	38.79
Others	0.02	0.02
Total deferred tax liabilities	64.09	60.42
Net Deferred tax liabilities	12.89	7.22

Notes to the financial statements for the year ended March 31, 2022

Note 16 : INCOME TAXES (contd...)

d) 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 April 1, 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 March 31, 2021	3.46	-	49.74	53.20
Charged/(credited)				
- to profit or loss	0.19	-	(2.48)	(2.29)
- to other comprehensive income	-	-	0.29	0.29
At March 31, 2022	3.65	-	47.55	51.20

Note : Deferred tax asset on indexation benefit of investment in subsidiaries in association of ₹96.94 crores as at March 31, 2022 (March 31, 2021 : ₹73.41 crores) has not been recognised as the company does not have any intention to sell and consequently such temporary difference in investments in subsidiaries is not expected to be recovered in the foreseeable future.

e) Movement in deferred tax liabilities

(₹ in Crores)

Particulars	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 April 1, 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	-	-	1.96		1.96
At March 31, 2021	7.47	38.79	14.14	0.02	60.42
Charged/(credited)					
- to profit or loss	(9.33)	19.75	-	(0.00)	10.42
- to other comprehensive income	-	-	(6.75)		(6.75)
At March 31, 2022	(1.86)	58.54	7.39	0.02	64.09

Notes to the financial statements for the year ended March 31, 2022

Note 17 : INCOME TAX LIABILITIES (NET) - CURRENT*

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Wealth tax (net of advances)	0.29	0.29
Income tax (net of advances)	228.31	139.80
Total	228.60	140.09

Note 18 : INCOME TAX ASSETS (NET) - NON-CURRENT*

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Income tax paid including TDS (Net of provisions)	339.73	372.11
Wealth tax (net of provisions)	0.02	0.02
Fringe benefit tax (net of provisions)	-	2.21
Total	339.75	374.34

*The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities. Refer also note 31 for details of contingent liabilities and litigations.

Note 19 : OTHER LIABILITIES

(₹ in Crores)

Particulars	31.03.2022		31.03.2021	
	Non-current	Current	Non-current	Current
Deposit - STT (Refer note 6.1)	5.41	-	5.41	-
Securities Transaction Tax payable	-	2,123.90	-	1,697.12
Statutory dues payable	-	343.39	-	247.37
Advance from customers	-	66.16	-	50.22
Others	-	268.19	-	220.09
Total	5.41	2,801.64	5.41	2,214.80

Note 20 : DEPOSITS - CURRENT

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Deposits from trading members	957.99	985.71
Deposits from applicants for membership	0.46	0.49
Deposits from mutual fund distributors	1.32	1.81
Deposits towards equipments	9.95	2.75
Deposit - listing & book building	116.46	56.75
Total	1,086.18	1,047.51

Notes to the financial statements for the year ended March 31, 2022

Note 21 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
Revenue from contracts with customers :				
<i>Trading services</i>				
Transaction charges (Refer note 21.2)		6,965.10		4,235.62
<i>Listing services</i>				
Listing fees	101.77		95.41	
Book building Fees	50.57		24.36	
Processing fees	31.40	183.74	25.34	145.11
<i>Colocation charges (Refer note 21.3)</i>		432.62		274.06
<i>Others</i>		134.70		119.19
Total (Refer note 21.1)		7,716.16		4,773.98
Other operating revenues :				
Income on investments (Refer note 21.4)	46.64	46.64	74.31	74.31
Total		7,762.80		4,848.29
Revenue Recognised				
Point in time		7,173.15		4399.85
Over the period of time		589.65		448.44
Total		7,762.80		4,848.29

21.1 Reconciliation of revenue recognised with contract price :

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Contract Price	7,754.65	4,779.45
Adjustments for contract liabilities	(38.50)	(5.47)
Revenue from contracts with customers	7,716.16	4,773.98

21.2 The previous year amount Includes revenue from Transaction charges amounting to ₹2,204.72 crores 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 Revenue from Colocation services amounting to ₹273.58 crores for FY 2020-21 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, 2022

Note 22 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended 31.03.2022		For the year ended 31.03.2021	
Dividend income				
- from equity investments designated at FVOCI	0.39		0.40	
- from subsidiary companies	220.53		202.75	
- from other investments	4.80	225.72	3.84	206.99
Interest income from financial assets at amortised cost		122.12		62.77
Interest income from financial assets designated at FVOCI		55.65		36.12
Rental income		10.41		12.79
Miscellaneous income		14.35		4.42
		428.25		323.09
Other gains/(losses)				
Net gain/(loss) on financial assets mandatorily measured at Fair Value through Profit or Loss	139.51		137.08	
Net gain on sale of investments measured at amortised cost	-		9.73	
Net gain on sale of investments mandatorily measured at Fair Value through Profit or Loss	53.78		147.21	
Net foreign exchange gains	0.05		0.65	
Net gain on disposal of property, plant and equipment	0.21		0.00	
		193.55		294.67
Total other income		621.80		617.76

Note 23 : EMPLOYEE BENEFITS EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Salaries, wages and bonus	249.92	189.66
Contribution to provident and other fund (Refer note 26)	7.89	7.96
Gratuity (Refer note 26)	4.17	4.59
Staff welfare expenses	12.30	9.93
Total	274.28	212.14

Notes to the financial statements for the year ended March 31, 2022

Note 24 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Repairs & maintenance		
- To computers, trading & telecommunication systems	202.24	160.19
- To buildings	4.21	3.16
- To others	16.37	14.84
SEBI regulatory fees	219.07	91.01
License fees for index	88.09	43.86
IT management and consultancy charges	50.49	73.64
Software expenses	119.12	96.35
Network infrastructure management charges	6.77	2.64
Lease line charges	55.23	22.40
Water and electricity charges	37.96	29.38
Rates and taxes	6.42	6.42
Directors' sitting fees	0.62	0.50
Legal and professional fees	58.86	42.40
Advertisement and publicity	29.84	15.79
Travel and conveyance	10.19	14.81
Corporate Social Responsibility expenditure (Refer note 34)	35.86	22.97
Contribution to Investor protection fund trust (Refer note 24.1 & 42)	155.65	3.36
Investor education expenses	74.18	33.44
Payment to auditors (Refer note below)	1.02	0.94
Donations	0.01	1.00
Other expenses	116.35	88.21
Total	1,288.55	767.31
Note :		
Payment to auditors		
As auditors :		
Audit fees	0.65	0.60
Limited review	0.30	0.30
In other capacities		
Certification matters	0.05	0.02
Other services	0.02	0.02
Total	1.02	0.94

24.1 It includes contribution to National Stock Exchange Investor Protection fund trust formed as required under SEBI regulation, which amounts to 3% of listing fees income.

Notes to the financial statements for the year ended March 31, 2022

Note 25 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
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	4,621.11	1,787.28
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)	93.36	36.11

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, 2022 amounting to ₹1.26 Crore (March 31, 2021: ₹1.30 Crore) has been charged to Statement of Profit & Loss (Reimbursement of cost charged to subsidiaries was - March 31, 2022: ₹0.40 crore, March 31, 2021: ₹0.49 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. There was shortfall of ₹0.24 crores as of March 31, 2022 and ₹1.63 crores as of March 31, 2021 which has been duly provided. The Company has contributed ₹6.31 Crore and ₹5.36 Crore towards Provident Fund during the year ended March 31, 2022 and year ended March 31, 2021, respectively. The contribution of ₹1.15 Crore during the year ended March 31, 2022 and ₹0.58 Crore during the year ended March 31, 2021 was reimbursed by the subsidiaries.

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
a. Approach used	Deterministic	Deterministic
b. Increase in compensation levels		10.00%
c. Discount Rate		6.49%
d. Attrition Rate		12.00%
e. Weighted Average Yield		8.34%
f. Weighted Average YTM	NA	8.00%
g. Reinvestment Period on Maturity		5 years
h. Mortality Rate		Indian Assured Lives Mortality (2006-08) Ultimate
i. Total PF assets as on date of valuation (₹ in Crores)	128.50	121.77

Notes to the financial statements for the year ended March 31, 2022

The Corpus of the provident fund of the employees was being managed by the National Stock Exchange of India Limited Employee Provident Fund Trust ("EPF Trust") which was registered with the Employees Provident Fund Organisation (EPFO) and exempted under the Employees Provident Fund Scheme 1952. The Board of directors of the Company in its meeting held on October 29, 2021 resolved to transfer the provident fund management and administration to the Employees Provident Fund Office ("EPFO") effective April 1, 2022. Accordingly, the Company and EPF Trust have transferred the entire corpus standing to the credit of EPF Trust including the required fund to meet the obligation in April 2022. This does not have material impact on the Company's financial statements.

(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	31.03.2022		
	Present Value of Obligation	Fair Value of Plan Assets	Total
At the beginning of the year	50.22	(49.04)	1.18
Current service Cost	4.38	-	4.38
Interest cost / (income)	3.26	(3.18)	0.08
Expenses recognised in the Statement of Profit & Loss *	7.64	(3.18)	4.46
Remeasurements			
Expected return on plan assets	-	(0.78)	(0.78)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	0.03	-	0.03
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(1.12)	-	(1.12)
Actuarial (gains)/losses on obligations - due to experience	3.18	-	3.18
Net (income)/expense for the year recognized in OCI #	2.09	(0.78)	1.31
Employer Contributions	-	(5.51)	(5.51)
Liability / (Asset) transferred	0.32	-	0.32
Benefits paid	(7.43)	7.43	-
At the end of the year	52.84	(51.08)	1.76

*Includes ₹0.53 Crores charged to the subsidiaries.

Includes ₹0.16 Crores charged to the subsidiaries.

Notes to the financial statements for the year ended March 31, 2022

(₹ 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 recognized in OCI #	(0.59)	0.05	(0.54)
Employer Contributions	-	(18.17)	(18.17)
Liability 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.

(ii) The net liability disclosed above relates to funded plans are as follows:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Fair value of plan assets as at the end of the year	51.08	49.04
Liability as at the end of the year	(52.84)	(50.22)
Net (liability) / asset	(1.76)	(1.18)

(iii) Significant actuarial assumptions are as follows:

Particulars	31.03.2022	31.03.2021
Discount rate	6.84%	6.49%
Rate of return on plan assets	6.84%	6.49%
Salary escalation	10.00%	10.00%
Attrition rate	12.00%	12.00%

Notes to the financial statements for the year ended March 31, 2022

(iv) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Projected benefit obligation on current assumptions	52.84	50.22
Delta effect of +1% change in rate of discounting	(2.95)	(2.68)
Delta effect of -1% change in rate of discounting	3.32	3.03
Delta effect of +1% change in salary increase	3.19	2.89
Delta effect of -1% change in salary increase	(2.90)	(2.62)
Delta effect of +1% change in employee turnover	(0.64)	(0.65)
Delta effect of -1% change in employee turnover	0.71	0.72

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	31.03.2022	31.03.2021
1 st Following Year	6.90	9.17
2 nd Following Year	4.87	5.54
3 rd Following Year	5.07	4.05
4 th Following Year	4.92	4.18
5 th Following Year	7.47	4.05
Sum of Years 6 to 10	22.60	20.88

(vi) Expected contribution to gratuity plan for the year ending March 31, 2023 are ₹5.37 Crore

NOTE 27 :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information as to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

Notes to the financial statements for the year ended March 31, 2022

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, 2022	Notes	Level 1	Level 2	Level 3	Total March 31, 2022
Financial Assets					
<i>Financial Investments at FVPL</i>					
Mutual Fund - Growth Plan	7	5,929.45	-	-	5,929.45
<i>Financial Investments at FVOCI</i>					
Debt Instrument at FVOCI - Government Securities	4, 7	-	1,831.71	-	1,831.71
Unquoted Equity Investments - National Commodity & Derivative Exchange Ltd.	4	-	-	119.87	119.87
Quoted Equity Investments - Multi Commodity Exchange of India Limited	4	0.71	-	-	0.71
Total Financial Assets		5,930.16	1,831.71	119.87	7,881.74

(₹ 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					
<i>Financial Investments at FVPL</i>					
Mutual Fund - Growth Plan	7	4,414.42	-	-	4,414.42
Mutual Fund - Fixed Maturity Plan	7	-	12.87	-	12.87
<i>Financial Investments at FVOCI</i>					
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

Notes to the financial statements for the year ended March 31, 2022

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, 2022 and 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 March 31, 2022 and March 31, 2021

(₹ in Crores)

Particulars	Unlisted Equity security
As at April 1, 2020	62.33
Gain / (loss) recognised in Other Comprehensive Income	4.32
As at March 31, 2021	66.65
Gain / (loss) recognised in Other Comprehensive Income	(6.33)
As at March 31, 2022	60.32

Notes to the financial statements for the year ended March 31, 2022

(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
	31.03.2022	31.03.2021		31.03.2022	31.03.2021
Unquoted Equity Shares - NCDEX	119.87	126.19	P/B Multiple	5.0x	5.0x
			Business Risk Discount	60%	60%
			Resultant P/B multiple	2.0x	2.0x
			Liquidity Discount	20%	20%
			Applicable P/B Multiple	1.6x	1.6x
			Estimated Book value as at balance sheet date (₹ In Crores)	499.45	525.80
			Equity valuation of NCDEX (₹ in Crores)	799.12	841.28
			Valuation of 15% stake (₹ in Crores)	119.87	126.19

* 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)

	31.03.2022		31.03.2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Taxable Bonds	780.23	788.01	485.12	496.57
Taxfree Bonds	674.07	735.59	701.09	777.95
Certificate of Deposits with banks	762.42	765.71	-	-
Fixed Deposits with Banks	1,076.16	942.55	1,480.66	1,482.76
Deposits with financial institutions	115.38	115.52	308.95	312.88
Security Deposits	3.33	3.33	2.57	2.57
Total Financial Assets	3,411.58	3,350.71	2,978.39	3,072.73

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 approximate their fair values, due to current and short term nature of such balances.

The fair value of taxable bonds, taxfree bonds, certificate of deposits with banks, 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, 2022

Note 29 :

In compliance with Ind AS 24 - "Related Party Disclosures", as notified under Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, the required disclosures are given in the table below:

(a) Names of the related parties and related party relationships

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1	NSE Clearing Limited	Subsidiary Company	Clearing and Settlement	100%
2	NSE Investments Ltd	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	Subsidiary's Subsidiary Company	Data Vending	100%
7	NSE Indices Ltd	Subsidiary's Subsidiary Company	Index Services	100%
8	NSE Infotech Services Limited	Subsidiary's Subsidiary Company	IT Services	100%
9	NSEIT (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	Protean e-Governance Technologies Limited (formerly known as 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	Receivables Exchange Of India Limited	Subsidiary's Associate	Online Platform for financing receivables (TReDS)	30%
19	Cogencis Information Services Limited (w.e.f. January 21, 2021)	Subsidiary's Subsidiary's Subsidiary Company	Data Terminal	100%
20	Capital Quants Solutions Private Limited (w.e.f. February 26, 2021)	Subsidiary's Subsidiary's Associate	Data processing	17%
21	Talentsprint Private Limited (w.e.f. November 10, 2020)	Subsidiary's Subsidiary's Subsidiary Company	Financial Literacy Programme	70%
22	Talentsprint Inc. (w.e.f. November 29, 2021)*	Subsidiary's Subsidiary's Subsidiary's Subsidiary Company	Financial Literacy Programme	100%
23	Indian Gas Exchange Limited (w.e.f. March 16, 2021)	Subsidiary's Associate	Gas Exchange	25.61%
24	CXIO Technologies Private Limited (w.e.f. March 03, 2021)	Subsidiary's Subsidiary's Subsidiary Company	IT Services	100%
25	India International Bullion Holding IFSC Ltd (w.e.f. June 04, 2021)	Associate Company	Investment Entity	21.39%
26	India International Bullion Exchange IFSC Ltd (w.e.f. August 25, 2021)	Associate's Subsidiary Company	Bullion Exchange	21.39%

Notes to the financial statements for the year ended March 31, 2022

Sr. No.	Related Party	Nature of Relationship
27	Mr. Vikram Limaye - Managing Director & CEO	Key Management Personnel
28	Mr. Girish Chandra Chaturvedi	Key Management Personnel
29	Ms. Anuradha Rao	Key Management Personnel
30	Mr. Veneet Nayar (w.e.f. September 20, 2021)	Key Management Personnel
31	Mr. Abhay Havaladar (upto September 25, 2020)	Key Management Personnel
32	Mr. Prakash Parthasarathy (upto August 25, 2021)	Key Management Personnel
33	Mr. Sundararajao Sudarshan	Key Management Personnel
34	Mr. Narsimha Murthy Kummamuri	Key Management Personnel
35	Ms. Mona Bhide (w.e.f. April 21, 2020)	Key Management Personnel
36	Ms. Sunita Sharma	Key Management Personnel

* The principal place of business of NSEIT (US) Inc and Talentsprint Inc is located in US.

Other Related parties with whom there were transaction during the year

37	NSE Employee Provident Fund Trust (Refer note no 26)	Post employment benefit plan
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(b) Details of transactions (including service tax / GST as levied) with related parties are as follows : (₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE Clearing Limited	Usage charges received	25.22	26.73
	Usage charges paid for interoperability	1.66	1.66
	Space and Infrastructure usage charges received	5.37	5.48
	Recovery of Electronic Bidding Platform income	0.86	0.62
	Reimbursement received for expenses on staff on deputation	15.58	12.32
	Reimbursement received for other expenses incurred	58.20	46.29
	Reimbursement paid for CAMS Charges	0.08	0.32
	Dividend received	45.00	90.00
	Clearing and Settlement charges paid	487.43	310.74
Closing balance (Payable)/Receivable	(34.43)	(20.71)	

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE IFSC Limited	Reimbursement received for expenses on staff on deputation	1.91	1.93
	Subscription of Equity share capital	85.00	40.00
	Usage charges received	0.50	0.50
	Reimbursement received for other expenses incurred	0.01	-
	Sale of assets	0.84	0.37
	Closing balance (Payable)/Receivable	0.33	0.55

Notes to the financial statements for the year ended March 31, 2022

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE IFSC Clearing Corporation Limited	Reimbursement received for expenses on staff on deputation	0.04	0.14
	Reimbursement received for other expenses incurred	-	0.01
	Closing balance (Payable)/Receivable	(0.05)	(0.08)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSEIT Limited	Reimbursement received for other expenses incurred	0.12	-
	Software Development Charges paid	2.03	2.14
	Software Expenses	5.50	2.44
	Repairs and maintenance – Computer trading , Telecommunication systems	62.98	51.51
	Empanelment charges received	0.06	0.06
	Laptop hire charges paid	0.22	0.34
	IT management and consultancy charges paid	19.82	16.21
	Closing balance (Payable)/Receivable	(10.73)	(14.66)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE Data & Analytics Limited	Space and Infrastructure usage charges received	1.14	1.01
	Reimbursement received for expenses on staff on deputation	5.64	5.08
	Reimbursement received for other expenses incurred	0.54	0.19
	Amount received towards revenue sharing on account of info feed services	37.06	32.94
	Subscription fees paid for bond valuation data & historical data & KYC	1.85	1.81
	Software Charges paid	-	0.25
	Closing balance (Payable)/Receivable	6.70	5.80

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE Indices Limited	License fees paid	102.39	49.10
	Data Subscription fees paid	0.05	0.05
	Usage Charges received	0.89	0.89
	Space and Infrastructure usage charges received	0.68	0.48
	Reimbursement received for expenses on staff on deputation	4.59	3.37
	Reimbursement received for other expenses incurred	0.37	0.21
	Closing balance (Payable)/Receivable	(12.22)	(5.64)

Notes to the financial statements for the year ended March 31, 2022

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE Infotech Services Limited	Closing balance (Payable)/Receivable	0.01	0.01

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE Investments Limited	Space and Infrastructure usage charges received	0.11	0.11
	Dividend Received	175.53	112.75
	Reimbursement received for expenses on staff on deputation	1.84	1.33
	Reimbursement received for other expenses incurred	0.05	0.11
	Closing balance (Payable)/Receivable	0.69	0.37

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE Academy Limited	Reimbursement received for expenses on staff on deputation	5.21	4.20
	Payment of NISM income received on their behalf	9.96	6.16
	Reimbursement received for other expenses incurred	0.66	0.53
	Reimbursement paid for other expenses	0.19	0.14
	Space and Infrastructure usage charges received	1.18	0.57
	Closing balance (Payable)/Receivable	0.44	(0.44)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSE Foundation	Space and Infrastructure usage charges received	0.20	0.18
	Reimbursement received for expenses on staff on deputation	1.66	1.20
	Reimbursement received for other expenses incurred	0.11	0.08
	Contribution towards CSR	35.86	12.97
	Closing balance (Payable)/Receivable	0.45	0.33

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
National Securities Depository Limited	Dividend received	4.80	3.84
	DP Validation Charges paid	3.00	1.21
	STP Charges Received	0.03	-
	Sitting Fees Received	0.05	-
	Closing balance (Payable)/Receivable	(0.54)	(0.02)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
NSDL e-Governance Infrastructure Limited	PAN verification charges paid	0.60	0.00
	Closing balance (Payable)/Receivable	-	-

Notes to the financial statements for the year ended March 31, 2022

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
Aujas Cybersecurity Limited	IT management and consultancy charges paid	3.58	1.35
	Software Development Charges paid	-	0.28
	Software Expenses	7.77	7.29
	Repairs and maintenance – Computer trading , Telecommunication systems	7.83	1.90
	Reimbursement of expenses paid	0.15	-
	Closing balance (Payable)/Receivable	(2.50)	(2.00)

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
Cogencis Information Services Limited (w.e.f. January 21, 2021)	Data feed charges paid	0.10	0.41
	Space & Infra charges paid	0.23	-
	Reimbursement of expenses received	0.03	-
	Closing balance (Payable)/Receivable	(0.03)	-

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
Receivables Exchange Of India Limited	Reimbursement received for expenses on staff on deputation	-	0.18
	Closing balance (Payable)/Receivable	0.27	0.29

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
India International Bullion Holding IFSC Ltd (w.e.f. June 04, 2021)	Subscription of Equity share capital	20.00	-
	Reimbursement of Expenses Received	0.02	-
	Closing balance (Payable)/Receivable	0.02	-

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
India International Bullion Exchange IFSC Ltd (w.e.f. August 25, 2021)	Reimbursement of Expenses Received	0.14	-
	Closing balance (Payable)/Receivable	-	-

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
Mr. Vikram Limaye	Short-term employee benefits	10.10	8.62
	Post-employment benefits (Refer note 29.1)	0.30	0.28
	Long-term employee benefits (Refer note 29.2)	1.42	1.32
	Total Remuneration	11.82	10.22

Notes to the financial statements for the year ended March 31, 2022

(₹ in Crores)

Name of the Related Party	Nature of Transactions	Year ended 31.03.2022	Year ended 31.03.2021
Key Management Personnel	Sitting Fees Paid to Directors	2.74	2.01

29.1 As the liabilities for defined benefit plan are provide on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

29.2 includes 50% of the variable pay payable after 3 years subject to certain conditions,

29.3 All related parties transaction enter during the year were in ordinary course of business. Outstanding balances as at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related parties receivables or payables as of March 31, 2022 and March 31, 2021. The Company has not recorded any impairment of receivables relating to amount owed by related parties.

Note 30 : CAPITAL AND OTHER COMMITMENTS

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided	136.13	77.74
Other Commitments (Primarily in respect of operating expenses)	296.42	218.29

Note 31 : CONTINGENT LIABILITIES AND OTHER REGULATORY MATTERS

(i) (a) Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Limited (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. Accordingly, investigations were carried out and the reports were submitted to SEBI. Further, SEBI in September 2016 directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016 be transferred to a separate bank account. In terms of the said directions, NSE continued to transfer the amount till May 2021 when SAT allowed the release of the amounts from such separate bank account (as further explained below).

Three separate show cause notices (SCN) on May 22, 2017 and July 03, 2018 were issued by SEBI to the Company and to some of its employees, including former employees, in respect of the alleged preferential access to tick by tick data in Company's Colocation facility, Dark Fiber point to point connectivity and Governance and conflict of interest related matters which were responded to by NSE. NSE had also filed a Consent Application with SEBI on August 31, 2018 in respect of the said show cause notices. SEBI vide its letter dated April 30, 2019 returned the Consent Application filed by NSE and passed orders in respect of all the three show cause notices. In the first order, it passed a direction on NSE inter alia to disgorge an amount of ₹624.89 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 accessing securities market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of ₹62.58 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 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 of 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 SAT. SAT vide its interim order has stayed the disgorgement of the amount, however it directed the Company to transfer the

Notes to the financial statements for the year ended March 31, 2022

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. 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 had been heard by the Hon'ble SAT and the same was reserved for orders, the Company had, in the interim, filed an application with Hon'ble SAT to permit withdrawal of the amounts transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues emanating from its co-location facility to such separate bank account going forward. Hon'ble SAT heard the matter on May 17, 2021 and modified its earlier order dated May 22, 2019 and allowed NSE to withdraw the amounts previously transferred to such account, discontinue further transfer of future revenues and close the separate account. However, in order to balance the equities, Hon'ble SAT directed NSE to transfer an additional amount of ₹420 crores into an interest-bearing account with SEBI which has been remitted by the Company on June 17, 2021. Accordingly, as at March 31, 2022, a total amount of ₹1,107.47 crores has been deposited by the Company with SEBI. SAT directed the parties for a refresher hearing which has been concluded and the final order is now reserved by SAT.

The Company believes that it has strong grounds to contest each of the above orders including monetary liability (including from completed / pending adjudication proceedings) passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2022.

- (b) The Company was in receipt of Show Cause Notice issued by SEBI on October 9, 2019 and a Supplementary notice on December 16, 2019 alleging violation in relation to certain alleged irregularities in the appointment of Chief Strategic Advisor and his re-designation as 'Group Operating Officer and Advisor to MD' by the former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the Company with an alleged third party by former Managing Director & Chief Executive Officer. The Company filed a Settlement Application with SEBI on December 11, 2019, which was returned to NSE on October 27, 2020. During the year, SEBI vide order dated February 11, 2022 levied penalty of ₹2 Crore which has been paid by the Company. In this direction, certain investigating agencies have been making inquiries and seeking various information, data etc. from the Company, which is being provided.
- (c) SEBI issued an Adjudication Show Cause Notice on July 31, 2020 with respect to investments made by NSE and its subsidiary in certain entities alleging that the investments made by NSE were in activities that were unrelated and non-incident to its activities as a stock exchange. SEBI subsequently after detailed hearing in its order dated October 01, 2020 levied a penalty of ₹6 Crore on NSE (₹1 Crore for each of the investments made by NSE and its subsidiaries). NSE had preferred an appeal against the SEBI order challenging the findings and the said penalty levied by SEBI. SAT had stayed the effect and operation of the order during the pendency of the appeal. During the current year ended March 31, 2022, SAT vide its order dated January 04, 2022 has quashed the Adjudicating Notice including the penalty levied by the Adjudication Order.
- (d) The Company was in receipt of SEBI Adjudication SCN dated January 07, 2021 and supplementary SCN dated May 6, 2021 with respect to the default of Karvy Stock Broking Limited, erstwhile trading member registered with the Company. The Company had filed its detailed response with SEBI. The Company has filed a consent application in response to the said SCNs issued by SEBI which was returned to NSE on April 6, 2022. SEBI vide order dated April 12, 2022 passed the order levying penalty of ₹2 crores. The Company is evaluating its course of action, pending which the said amount has been disclosed as Contingent liability. Based on the legal view, the Company believes that it has strong ground to contest the said order and accordingly no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2022.
- (e) SEBI had issued Show Cause Notice (SCN) dated March 26, 2021 for alleged violation of SEBI (STP Centralized Hub and STP Service Providers) Guidelines, 2004 (STP Guidelines) against which the Company had filed Settlement Application.

Notes to the financial statements for the year ended March 31, 2022

During the current year ended March 31, 2022, the Adjudicating Officer passed order dated December 28, 2021 vide which SEBI and the Company have settled the matter. Accordingly, the Company has paid a settlement fee of ₹4.88 Crores.

- (f) On February 24, 2021, the Company's trading system was halted due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of the Company, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. The Company has submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021 directed NSE to pay financial disincentive of ₹25 lakhs and the same was paid by the Company on July 12, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021 to the Company and some of its employees alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019 and Regulation 12(6) read with Regulation 7(3)(a) and 7(3)(c) of SECC Regulation 2018 for which detail response is filed. In this regard, the Company has taken necessary remedial actions and the Company has filed consent application with SEBI on August 31, 2021 against which preliminary hearing on maintainability of the said consent application has taken place on May 4, 2022. The Company is directed to file written submission against the same. The Company is of the view that pending conclusion of this matter with SEBI, a reliable estimate of any obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2022.
- (g) 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, 2021: ₹55.50 crores). The Company had appealed against the order before the Hon'ble Competition Appellate Tribunal (COMPAT) which rejected the appeal. The Company has thereafter appealed before the Hon'ble Supreme Court of India, which stayed the penalty. In respect of the same subject matter, a separate compensation claim has been filed against the Company in January 2015 amounting to ₹856.99 crores, which has been disputed by the Company. The Compensation proceedings are also stayed by the Hon'ble Supreme Court of India. Based on the legal advice, the Company is of the view that there exist strong grounds in the appeal filed by the Company before the Hon'ble Supreme Court. In view of the same no provision has been made in respect of penalty and compensation claimed in these financial statements.
- (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, 2022.

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: ₹474.89 Crores (March 31, 2021: ₹451.13 Crores) along with interest thereon.
- (b) Wealth Tax: ₹0.09 Crores (March 31, 2021: ₹0.09 Crores). Wealth Tax liability includes ₹0.02 Crores (March 31, 2021: ₹0.02 Crores) on account of Tax Department appeals pending disposal before the Bombay High Court.
- (c) Service Tax & MVAT: ₹77.91 crores (March 31, 2021: ₹77.91 crores) along with penalty thereon.

Notes to the financial statements for the year ended March 31, 2022

(d) Bank guarantees ₹1 crore (March 31, 2021 : ₹1 crore)

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory and Tax Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, as applicable, in its financial statements as described above. The Company does not expect the outcome of these proceedings to have a material impact on its financial statements as at March 31, 2022.

(iii) Other claims against the company not acknowledged as debts amounts to : ₹8.55 Crores (March 31, 2021 : ₹6.54 Crores).

32 DETAILS OF DUES TO MICRO AND SMALL, MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Trade Payables includes ₹2.21 Crores (March 31, 2021: ₹1.14 Crores) due to Micro, Small & Medium Enterprises. Total outstanding dues to Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosure pursuant to the said MSMED Act are as follows.

(₹ in Crores)

Description	31.03.2022	31.03.2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.21	1.14
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 Honourable Supreme Court of India delivered a judgement in the case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter. The Company has given effect to this judgment with effect from April 1, 2019. In Company's assessment, this did not have a significant impact on its financial statements.

Notes to the financial statements for the year ended March 31, 2022

34 DISCLOSURE IN RELATION TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

(₹ in Crores)

Description	31.03.2022	31.03.2021
Contribution to NSE Foundation	35.86	12.97
Contribution to PM Cares Fund	-	10.00
Total	35.86	22.97
Amount required to be spent as per section 135 of the Act	35.86	22.97
Amount spent during the year on		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	35.86	22.97

Details of ongoing CSR projects under section 135(6) of the Act

(₹ in Crores)

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate CSR unspent account		From the Company's bank account	From separate CSR unspent account	With the Company	In separate CSR unspent account
-	-	35.86	35.86	-	-	-

Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects

(₹ in Crores)

Balance unspent as at April 1, 2021	Amount deposited in specified schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	35.86	35.86	-

Details of excess CSR expenditure under Section 135(5) of the Act

(₹ in Crores)

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount required to be spent during the year	Balance excess spent as at March 31, 2022
-	35.86	35.86	-

Nature of CSR Activities: NSE Foundation, a group company undertakes the following CSR activities which includes

Primary Education, Sanitation and Safe Drinking Water, Elder Care, Skill Development And Entrepreneurship, Environment Sustainability, Health and Nutrition, Disaster Relief and Rehabilitation, Incubation, Environmental Sustainability.

35 LEASE

(i) Amounts recognised in balance sheet

The balance sheet includes the following amount relating to leases:

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Right-of-use-assets		
Land	73.42	74.72
Buildings	64.59	18.88
Total	138.00	93.60

Notes to the financial statements for the year ended March 31, 2022

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Lease liabilities		
Current	8.70	4.33
Non Current	74.02	29.14
Total	82.72	33.47

(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	31.03.2022	31.03.2021
Depreciation charge of Right-of-use assets		
Buildings	7.94	3.70
Land	1.30	1.30
Total	9.23	5.00

(₹ in Crores)

Particulars	31.03.2022	31.03.2021
Interest expenses	6.66	3.84
Total	6.66	3.84

(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, 2020	35.69
Add: Interest expense	3.84
Less: Cash flows	(6.06)
Net debt as at March 31, 2021	33.47
Add: Addition to leases	53.64
Add: Interest expense	6.66
Less: Cash flows	(11.05)
Net debt as at March 31, 2022	82.72

NOTE 36 - OTHER EVENTS AFTER THE REPORTING PERIOD

Dividend:

The Board of Directors have recommended the payment of final dividend of ₹ 42 per fully paid equity shares (FV ₹ 1 each) (March 31, 2021 : ₹ 24.75 per fully paid equity share (FV ₹ 1 each). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹ 2,079 Crores.

Notes to the financial statements for the year ended March 31, 2022

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 March 31, 2022					
Financial Assets					
Trade Receivables	1,294.87	-	1,294.87	-	957.99
As at March 31, 2021					
Financial Assets					
Trade Receivables	787.45	-	787.45	-	985.71

NOTE 38 - FAIR VALUE MEASUREMENTS

Financial Instruments by category

(₹ in Crores)

Particulars	March 31, 2022			March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	120.58	-	-	126.95	-
Taxable Bonds	-	-	780.23	-	-	485.12
Taxfree Bonds	-	-	674.07	-	-	701.09
Certificate of Deposits	-	-	762.42	-	-	-
Fixed Deposits with Banks	-	-	1,076.16	-	-	1,480.66
Deposits with financial institutions	-	-	115.38	-	-	308.95
Government Securities	-	1,831.71	-	-	544.65	-
Mutual Funds	5,929.45	-	-	4,427.29	-	-
Trade receivables	-	-	1,336.17	-	-	834.82
Cash and Cash equivalents including other bank balances (Refer note 10.1)	-	-	149.91	-	-	58.46
Security deposits	-	-	3.33	-	-	2.57
Other receivables	-	-	15.85	-	-	14.83
Total financial assets	5,929.45	1,952.29	4,913.53	4,427.29	671.60	3,886.51
Financial liabilities						
Deposits	-	-	1,086.18	-	-	1,047.51
Trade Payables	-	-	216.41	-	-	185.64
Other liabilities	-	-	557.95	-	-	184.88
Total financial liabilities	-	-	1,860.54	-	-	1,418.03

The Company had acquired certain equity instruments for the purpose of holding for a longer duration and not for the purpose of selling in near term for short term profit. Such instruments have been categorised as FVOCI.

Notes to the financial statements for the year ended March 31, 2022

NOTE 39 - FINANCIAL RISK MANAGEMENT

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Treasury department to oversee that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Treasury department activities are designed to:

- protect the Company's financial position from financial risks.
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company's financial investments, while maximising returns.

The Treasury department is responsible to maximise the return on company's generated funds and investments..

A MANAGEMENT OF LIQUIDITY RISK

"Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring avoidable costs. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in the Company's cash flow could impair investor confidence.

The Company maintained a cautious funding strategy, with a positive cash balance throughout the years ended March 31, 2022 and March 31, 2021. 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, 2022				
Trade payables	216.41	216.41	-	216.41
Deposits	1,086.18	1,086.18	-	1,086.18
Lease liabilities	82.72	8.70	187.29	195.99
Other liabilities	557.95	542.47	15.49	557.95
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	35.69	6.06	153.95	160.01
Other liabilities	184.88	171.92	12.96	184.88

Notes to the financial statements for the year ended March 31, 2022

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 March 31, 2022, the exposure to price risk due to investment in mutual funds amounted to ₹5929.45 crores (March 31, 2021 : ₹4427.29 crores).</p> <p>At March 31, 2022, the exposure to price risk due to investment in equity instruments amounted to ₹120.58 crores (March 31, 2021 : ₹126.95 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 ₹14.82 crores gain in the Statement of Profit and Loss (2020-21: ₹11.07 crores gain). A 0.25% decrease in prices would have led to an equal but opposite effect.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹12.06 crores gain in the Statement of Profit and Loss (2020-21: ₹12.70 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, 2022

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 March 31, 2022, the exposure to interest rate risk due to investment in government securities amounted to ₹1831.71 crores (March 31, 2021: ₹544.65 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 ₹12.29 crores loss in the Statement of Profit and Loss (2020-21: ₹7.68 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, the Company's assessment of credit risk is low. Accordingly, the 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, the Company's our assesment for credit risk is low. Accordingly, the provision for expected credit loss on other financial assets is not material

The Company's maximum exposure to credit risk as at March 31, 2022 and 2021 is the carrying value of each class of financial assets as disclosed in note 4, 5, 7, 8, 9 and 10.

Notes to the financial statements for the year ended March 31, 2022

NOTE - 40 : CAPITAL MANAGEMENT

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity (as shown in the balance sheet, including retained profits, other reserves, share capital, share premium).

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to 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. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to financial covenants in any of its significant financing agreements.

The Company's management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods. Refer note 11 (b) for the final dividend declared and paid.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the Company shall have a minimum networth of ₹100 crores at all times. The Company is in compliance with this requirement.

Note - 41 : ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

(i) Details of Benami Property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company doesn't have any borrowings from banks and / or financial institutions.

(iii) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

(iv) Relationship with struck off Companies

The Company has no transactions with the companies struck off under the Companies Act, 2013.

(v) Compliance with number of layer of Companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current of previous financial year.

(vii) Utilisation of Borrowed funds and Share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the financial statements for the year ended March 31, 2022

(viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency of virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year. The fair value of investment property (as measured for disclosure purposes in the financial statements) is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

(xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note no. 2 to the financial statements, are held in the name of the Company.

(xii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) Core Investment Company (CIC)

The Company has one subsidiary company namely NSE Investments Ltd which is a deemed CIC and is not required to be registered with RBI as per the directions laid down in Core Investment Companies (Reserve Bank) Directions, 2016. There are no other CIC in the group.

(xiv) Loans or advances to specified persons

The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- repayable on demand or
- without specifying any terms or period for repayment

(xv) Analytical Ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	2.07	1.75	18%	Not Applicable
Debt - Equity Ratio (in times)	Total Debt (represents lease liability)	Shareholder's equity	0.01	0.00	75%	Due to additional lease liability for acquisition of new premises on lease.
Debt Service Coverage Ratio (in times)	Earning available for debt service (Net profit after taxes + depreciation)	Debt Service (interest and principle payments including lease payments)	441.58	322.35	37%	Due to overall improvement in profitability, the Ratio has increased.
Return on equity (%)	Profit for the year less preference dividend, if any	Average total equity	47%	24%	98%	Due to overall improvement in profitability, the Ratio has increased.
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.15	7.00	2%	Not Applicable
Trade payables turnover ratio (in times)	Other expenses less depreciation including clearing & settlement charges	Average trade payables	8.69	6.75	29%	Due to overall increase in revenue, other expenses including clearing & settlement charges have increased.
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. current assets minus current liabilities)	1.90	1.95	-3%	Not Applicable
Net profit Ratio (%)	Net profit after tax	Revenue from operations	60%	37%	61%	Due to overall improvement in profitability, the Ratio has increased.

Notes to the financial statements for the year ended March 31, 2022

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Remarks
Return on capital employed (%)	Profit before tax and finance cost	Capital employed = Net worth + lease liabilities + deferred tax liabilities	52%	28%	89%	Due to overall improvement in profitability, the Ratio has increased.
Return on Investment (%)	Income generated from invested funds	Average invested funds in treasury investments	5%	7%	-27%	Due to overall reduction in interest rates and yields.

- 42** NSE has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of a registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI comprehensively reviewed the existing framework 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 had paid ₹1,701 crores to NSE Investor Protection Fund Trust (NSE IPFT) during the year ended March 31, 2021. Additionally, the Company had also provided ₹121.05 crores in relation to the investors' claims related to defaulted members, which was paid in current year. This provision is estimated by applying past historical experience of claims admitted and paid to the outstanding claims through the date of approval of the financial statements including the maximum amount that can be paid to each investor in accordance with trust deed of NSE IPFT. Accordingly, an amount of ₹1,822.05 crores was 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. The Company has assessed the adequacy of the IPF corpus as at March 31, 2022 and has made payments of ₹118.20 crores and provision of ₹32.25 crores in relation to the investor claims pertaining to defaulted members received and yet to be processed by NSE IPFT as at year-end. Accordingly, aggregate expense of ₹150.45 crores has been included as part of Other expenses in the statement of profit and loss for the year ended March 31, 2022.
- 43** 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) was reversed during the year ended March 31, 2021, and the same was paid by NSE Clearing Limited to ICCL.
- 44** 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.
- 45** In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2022 and March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2022 and March 31, 2021.
- 46** For the year ended March 31, 2022 and March 31, 2021, 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

Sumit Seth

Partner

Membership No.: 105869

Girish Chandra Chaturvedi

Chairman

[DIN: 00110996]

For and on behalf of the Board of Directors

K. Narasimha Murthy

Director

[DIN: 00023046]

Vikram Limaye

Managing Director & CEO

[DIN:00488534]

Place : Mumbai

Date: May 6, 2022

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 2021-22.



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