

Announcement

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Settlement Order bearing reference no. SO/PSD/2025-26/7354 dated July 31, 2025 under Section 15JB of the Securities and Exchange Board of India Act, 1992 read with Regulation 23 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 has been passed by the Securities and Exchange Board of India (SEBI) in the matter of Inspection of the Company for the period February 01, 2021 to March 31, 2022. The copy of the said order is enclosed as Annexure - 1.

Accordingly, the requisite disclosure in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule III thereto and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, is given below:

Terms of Settlement	Payment by the Company of an amount of Rs. 40,35,00,000 (Rupees Forty Crore Thirty Five Lakhs only) was made on June 25, 2025.
Compensation / penalty paid	The settlement terms were for settling certain violations observed in the Inspection Letter dated April 12, 2023 issued by SEBI in relation to the inspection of the Company for the period from February 1, 2021 to March 2022, without admitting or denying the finding of facts and conclusions of law, through a settlement order, in terms of the provisions of the SEBI (Settlement Proceedings), 2018.
Impact of the settlement on the financial position of the Company	The amount has been provided for in full in the financial results for the quarter ended June 2025 .

Encl: As above

SO/PSD/2025-26/7354

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER
IN RESPECT OF

Settlement Application Number	Name of the Applicant	PAN Number
7354/2023	National Stock Exchange of India Limited (NSEIL)	AAACN1797L

**IN THE MATTER OF INSPECTION OF NSEIL FOR THE PERIOD FEBRUARY 01,
2021 TO MARCH 31, 2022**

1. NSEIL (hereinafter referred to as the “**Applicant**”) filed a *suo-motu* settlement application under the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of facts and conclusions of law, the enforcement proceedings that may be initiated against it for the alleged violation of the following:

Sr. No.	Particulars of the violation	Provisions alleged to have violated
1.	The Applicant outsourced the activity of storage of Media tapes containing historical trade data to a third party vendor without any legally binding written contract resulting in the failure of the Applicant to carry out its obligation of safekeeping trade related data and preventing unauthorized usage of proprietary, member-	Clauses 3.1, 3.3, 5.1, 7, 8 & 10 of Annexure I read with Clause 3 of SEBI Circular no. SEBI/HO/MRD/DP/CIR/P/2017/101 dated September 13, 2017.

	related and potentially market sensitive information.	
2.	The internal committee was vested with the authority to waive off the penalty amount levied as per Member and Core Settlement Guarantee Fund Committee (MCSGFC) policy without the approval of MCSGFC.	Terms of reference (ToR) of Member & Core SGF Committee specified in Annexure A of SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019.
3.	<p>The Applicant was outsourcing and sharing confidential, price sensitive information of listed companies with NSE Data and Analytics Limited (NDAL), for onward distribution to a 3rd party vendor, without having any legally binding agreement in place.</p> <p>Further, the Applicant's system architecture enabled it to send unpublished price sensitive corporate announcement to the clients of NDAL prior to hosting the same on its website.</p>	<p>Clauses 3.5, 5.1 and 10 of Annexure I read with Clause 3 of SEBI Circular no. SEBI/HO/MRD/DP/CIR/P/2017/101 dated September 13, 2017; Regulation 39(3) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations, 2018); SEBI Circular no. SEBI/HO/DEPA-III/DEPA-III_SSU/P/C/IR/2022/25 dated February 25, 2022; Regulation 3 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations).</p>
4.	Client code modifications was being permitted for trades between two unrelated institutional clients without any due diligence viz. without verifying genuineness and without penalization.	SEBI Circulars dated January 3, 2011, July 5, 2011 and October 26, 2004.

5.	There was no policy in place with respect to defining brokers as frequent modifiers and thereby, no action was triggered in respect of any such brokers, as otherwise mandated by SEBI.	SEBI Circular dated October 21, 2014.
6.	The Applicant failed to formulate the policy for carrying out 'review of error trades' and 'frequency of such reviews' resulting in failure to review the error accounts comprehensively, as mandated by SEBI.	SEBI/MRD Master Circular dated July 5, 2021; SEBI/CDMRD circular dated August 19, 2016; SEBI letter dated August 2, 2013; NSE Circular dated August 26, 2011.
7.	The Applicant failed to ensure proper mechanism for performing due diligence to verify the genuineness of client code modifications.	SEBI Circulars dated January 3, 2011 and July 5, 2011.

2. Pursuant to the receipt of the settlement application of the Applicant, the Internal Committee (hereinafter referred to as the “IC”) of SEBI held a meeting with the authorized representatives of NSE on January 17, 2024 wherein the details of the case were deliberated along with the terms of the settlement. During the meeting, the IC also specified certain non-monetary terms to the Applicant to submit a system audit report and a compliance report of the corrective measures undertaken by them.
3. The Applicant vide email dated January 29, 2024, filed revised settlement terms proposing to pay ₹40,35,00,000 (Rupees Forty Crore Thirty Five Lakhs only) as the settlement amount and also submitted a compliance report of the corrective measures taken to rectify the issues and also filed an undertaking to submit the system audit report.

4. The High Powered Advisory Committee (hereinafter referred to as “**HPAC**”) in its meeting held on February 05, 2024 considered the settlement terms proposed by the Applicant and recommended that the case may be settled upon payment of ₹40,35,00,000 (Rupees Forty Crore Thirty Five Lakhs only) and subject to the Applicant complying with the non-monetary terms specified by the IC. The HPAC also recommended that the Applicant may be advised to conduct an internal review and identify the officers-in-default and take appropriate measures in their performance appraisal.
5. The Applicant vide letter dated February 17, 2024 submitted the system audit report. The compliance report of the corrective measures submitted vide email dated January 29, 2024 and the system audit report submitted vide email dated February 17, 2024 were found to be in order by SEBI.
6. The recommendations of the HPAC were approved by the Panel of Whole Time Members subject to the Applicant conducting and completing internal review and taking appropriate measures within 6 months. The recommendation of the HPAC as approved by the Panel of Whole Time Members was informed to the Applicant in a meeting held on May 22, 2024. On the requests of the Applicant, the period of 6 months was extended by SEBI by another 6 months. Thereafter, the Applicant vide letter dated April 29, 2025 *inter alia* informed SEBI that its Internal Disciplinary Committee had carried out an internal review to identify officers-in-default wherein it was found that the concerned decisions were taken at organizational/Board level and no specific individual was found accountable/responsible. The aforesaid finding of the Internal Disciplinary Committee were also approved by the Nomination and Remuneration Committee and the Board of NSE.
7. Upon consideration of the aforesaid submissions of the Applicant by the Panel of Whole Time Members and acceptance of the same in terms of Regulation 15 of the Settlement Regulations on June 16, 2025, a Notice of Demand for ₹40,35,00,000 (Rupees Forty Crore Thirty Five Lakhs only) was issued to the Applicant on June 18, 2025. The Applicant vide email dated June 25, 2025

informed about the remittance of the aforesaid settlement amount and SEBI has confirmed credit of the same.

8. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the SEBI Act and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicant on the following terms:
- i. SEBI shall not initiate any enforcement action against the Applicant for the said violations, and
 - ii. Passing of this Order is without prejudice to the right of SEBI under Regulation 28 and Regulation 31 of the Settlement Regulations to initiate appropriate action against the Applicant, if SEBI finds that:
 - (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicant has breached any of the clauses/conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) the Applicant has failed to pay the difference due to any discrepancy while arriving at the settlement terms.
9. This Settlement Order is passed on this 31st day of July, 2025 and shall come into force with immediate effect.
10. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be hosted on the website of SEBI.

Sd/-
AMARJEET SINGH
WHOLE TIME MEMBER

Sd/-
KAMLESH C VARSHNEY
WHOLE TIME MEMBER