

Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
National Stock Exchange of India Limited
Exchange Plaza, Plot No C-1
Bandra Kurla Complex, Bandra (East)
Mumbai -400 051.

Independent Auditor's Report on the Audit of Consolidated Financial Results

Opinion

1. We have audited the statement of consolidated annual financial results 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"), its associate companies for the year ended March 31, 2023, and the statement of consolidated assets and liabilities and the statement of consolidated cash flows as at and for the year ended on that date, (together referred to as the "consolidated financial results") attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SECC Regulations") read with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate/consolidated audited financial statements /financial results of the subsidiaries and associate companies, the aforesaid consolidated financial results:
 - (i) include the annual financial results of the following entities:

Sr. No.	Name	Nature of Relationship
1	NSE Clearing Limited	Subsidiary Company
2	NSE Investments Limited	Subsidiary Company
3	NSE IFSC Limited	Subsidiary Company
4	NSE IFSC Clearing Corporation Limited	Subsidiary Company
5	NSEIT Limited	Subsidiary Company
6	NSE Data & Analytics Limited	Subsidiary Company
7	NSE Indices Limited	Subsidiary Company
8	NSE Infotech Services Limited	Subsidiary Company
9	NSE.IT (US) Inc.	Subsidiary Company
10	Aujas Cybersecurity Limited	Subsidiary Company
11	NSE Academy Limited	Subsidiary Company
12	NSE Foundation	Subsidiary Company
13	TalentSprint Private Limited	Subsidiary Company
14	Cogencis Information Services Limited	Subsidiary Company
15	CXIO Technologies Private Limited	Subsidiary Company
16	TalentSprint Inc.	Subsidiary Company
17	National Securities Depository Limited	Associate Company
18	India International Bullion Holding IFSC Limited	Associate Company

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of National Stock Exchange of India Limited

Report on the Consolidated Financial Results

Page 2 of 6

Sr. No.	Name	Nature of Relationship
19	Power Exchange India Limited	Associate Company
20	Protean eGov Technologies Limited	Associate Company
21	Market Simplified India Limited	Associate Company
22	Receivables Exchange Of India Limited	Associate Company
23	Indian Gas Exchange Limited	Associate Company
24	Capital Quant Solutions Private Limited	Associate Company

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group and its associate companies for the year ended March 31, 2023, and the statement of consolidated assets and liabilities and the statement of consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group and its associate companies 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 obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- We draw your attention to Note 3 to the consolidated financial results, relating to the matters with the Securities and Exchange Board of India ("SEBI"). SEBI issued orders on April 30, 2019, wherein disgorgement/demand aggregating Rs. 687.47 crores (excluding interest thereon at 12% p.a. from April 1, 2014, till the actual date of payment for one order and from September 11, 2015, till the actual date of payment for second order) had been raised against the Holding Company pursuant to an investigation conducted in relation to preferential access to tick-by-tick data at the Holding Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters ("Orders"). SEBI further directed the Holding Company to undertake certain remedial measures, actions and imposed restrictions ("Other Directives"). The Company also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above Orders ("the Adjudication Matters"). Adjudication hearings before SEBI were completed for the Adjudication Matters and SEBI levied penalty of Rs. 1 crore each for the Colocation facility matter and the Governance matter, and Rs. 7 Crores for the Dark Fiber point to point connectivity matter ("the Adjudication Orders"). The Holding Company had deposited Rs 1,107.47 crores with SEBI in respect of these Orders and appealed to contest the aforesaid Orders, including the Adjudication Orders with the

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of National Stock Exchange of India Limited

Report on the Consolidated Financial Results

Page 3 of 6

Hon'ble Securities Appellate Tribunal ("SAT"). In respect of the preferential access to tick-by-tick data at the Holding Company's Colocation facility matter, Hon'ble SAT passed an order dated January 23, 2023, upholding the Other Directives of SEBI, setting aside the SEBI direction for disgorgement of amount of Rs.624.89 crores (along with interest at the rate of 12% p.a.) and imposing a penalty of Rs. 100 crores on the Holding Company as a deterrent for the lack of due diligence and other lapses in compliance. The Holding Company has recognized such penalty amount of Rs 100 cores which is included in other expenses in the consolidated financial results during the year ended March 31, 2023. In this regard, SEBI has filed an appeal before the Hon'ble Supreme Court, which has directed SEBI to refund Rs. 300 crores to the Holding Company vide its order dated March 20, 2023. In case SEBI's appeal is allowed by the Hon'ble Supreme Court, the Holding Company is required to repay to SEBI such amount of Rs. 300 crores which was received by the Holding Company on April 21, 2023. The Dark Fiber point to point connectivity, Governance related matters and the Adjudication Matters continue to be under appeal before with Hon'ble SAT. The future outcome of the above matters is uncertain at this stage. Based on the legal opinion obtained by the Holding Company, no provision for any liability (other than penalty amount of Rs. 100 crores as mentioned above) has been recognized towards the above matters in the consolidated financial results, which continue to be disclosed as contingent liability in Note 3 to the consolidated financial results. Our opinion is not modified in respect of these matters.

5. The following Emphasis of matter paragraph has been included in the Independent Auditor's Report on the financial statements of NSE IFSC Limited, a subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide their report dated April 13 2023, reproduced by us as under:

"We draw attention to Note 36* to the Financial Statement regarding Net worth of USD 1.37 million of the Company for the period from December 31, 2022 to February 17, 2023, which was below the prescribed Net worth of USD 3 million at all times as per International Financial Services Authority (Market Infrastructure Institutions) Regulations, 2021, before infusion of ~ USD 6.04 million (equivalent INR 50 crores) by its Holding Company. Our opinion is not modified in respect of this matter".

*This note is included in Note 15 to the consolidated financial results.

Board of Directors' Responsibilities for the Consolidated Financial Results

6. These consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group including its associate companies and the statement of consolidated assets and liabilities and the statement of consolidated cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 of the assets of the Group and its associate companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls,

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of National Stock Exchange of India Limited

Report on the Consolidated Financial Results

Page 4 of 6

that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual 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 results by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial results, 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 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 the respective Board of Directors either intends to liquidate the Group and its associate companies or to cease operations, or has no realistic alternative but to do so.
8. 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 Results

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial results, 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. (Refer paragraph 18 below)
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors' 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 results 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

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of National Stock Exchange of India Limited

Report on the Consolidated Financial Results

Page 5 of 6

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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate companies to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated financial results, 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.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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. 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.
 12. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

13. We did not audit the financial statements of one subsidiary and consolidated financial statements of two subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 16,696.89 crores and net assets of Rs. 4,716.99 crores as at March 31, 2023, total revenues of Rs. 2,619.23 crores and Rs. 733.05 crores, total net profit after tax of Rs. 923.37 crores and Rs. 257.67 crores, and total comprehensive income of Rs. 928.34 crores and Rs. 256.85 crores for the year ended March 31, 2023, and for the quarter ended March 31, 2023, respectively, and net cash outflows of Rs. 4,203.15 crores for the year ended March 31, 2023, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss after tax of Rs. 4.85 crores and Rs. 1.43 crores and total comprehensive income of Rs. (3.10) crores and Rs (1.63) crores for the year ended March 31, 2023, and for the quarter ended March 31, 2023, respectively, as considered in the consolidated financial results, 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 results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one associate company, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 12 above.
14. Further, in respect of one subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 30.13 crores and net assets of Rs. 25.84 crores as at March 31, 2023, and total income from donations of Rs. 48.22 crores and Rs 1.43 crores, total excess of expenditure over income after tax of Rs. 4.57 crores and Rs. 1.43 crores and total comprehensive income of Rs. (4.57) crores and Rs (1.63) crores for the year ended March 31, 2023, and quarter ended March 31, 2023, respectively, as considered in the consolidated financial results has been jointly audited by

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of National Stock Exchange of India Limited

Report on the Consolidated Financial Results

Page 6 of 6

Price Waterhouse & Co Chartered Accountants LLP, auditor of Holding Company along with other joint auditor of the subsidiary. These financial statements have been audited by us along with other joint auditors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary, is based on joint audit report dated April 25, 2023, and the procedures performed by us as stated in paragraph 12 above.

15. The consolidated financial results also include the Group's share of net profit after tax of Rs. 93.34 crores and Rs. 26.44 crores and total comprehensive income of Rs. 93.66 crores and Rs. 26.54 crores for the year ended March 31, 2023, and for the quarter ended March 31, 2023, respectively, as considered in the consolidated financial results, in respect of five associate companies, based on their financial statements/financial information which have not been audited by their auditors.
16. Our opinion on the consolidated financial results 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 statements /financial information certified by the Board of Directors.
17. The consolidated financial results include the results for the quarter ended March 31, 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were neither subject to limited review nor audited by us.
18. The consolidated financial results dealt with by this report have been prepared for the express purpose of complying with Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SECC Regulations") read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). These results are based on and should be read with the audited consolidated annual financial statements of the Group and its associate companies for the year ended March 31, 2023, on which we have issued an unmodified audit opinion vide our report dated May 15, 2023.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E-300009

SUMIT

Digitally signed by SUMIT

SHASHIKANT SETH

SHASHIKANT SETH

Date: 2023.05.15 17:24:49 +05'30'

Sumit Seth

Partner

Membership Number 105869

UDIN: 23105869BGYNZJ7574

Place: San Diego, United States of America

Date: May 15, 2023



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Year ended	
	31.03.2023 Refer note 1	31.12.2022 Unaudited	31.03.2022 Refer note 1	31.03.2023 Audited	31.03.2022 Audited
Continuing Operations					
1 Income					
(a) Revenue from operations	3,453.19	2,824.29	2,635.02	11,856.23	8,313.13
(b) Other Income	311.46	269.73	156.56	909.13	560.66
Total Income	3,764.65	3,094.02	2,791.58	12,765.36	8,873.79
2 Expenses					
(a) Employee benefits expense	97.12	81.73	121.63	366.05	356.35
(b) Depreciation and amortisation expense	101.84	93.71	111.52	384.06	310.45
(c) Other expenses (Refer note 3)	594.46	517.52	431.12	1,858.72	1,351.51
Total expenses (excluding contribution to Core settlement guarantee fund (Core SGF))	793.42	692.96	664.27	2,608.83	2,018.31
3 Profit before Exceptional items, contribution to Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax from Continuing Operations (1-2)	2,971.23	2,401.06	2,127.31	10,156.53	6,855.48
4 Share of net profits of associates accounted for using equity method	25.02	27.61	32.43	88.50	90.28
5 Profit before Exceptional items, contribution to Core settlement guarantee fund (Core SGF) and Tax (3+4)	2,996.25	2,428.67	2,159.74	10,245.03	6,945.76
6 Exceptional items					
(a) Profit on sale of investment in Power Exchange of India Limited (Refer note 14)	-	-	1.62	-	1.62
(b) Reversal of Provision for Impairment of Intangible assets under development (Refer note 9)	-	-	-	-	68.23
(c) Settlement compensation towards cancellation of contracts (Refer note 9)	-	-	-	-	15.63
7 Profit after Exceptional items before contribution to Core settlement guarantee fund (Core SGF) and Tax (5+6)	2,996.25	2,428.67	2,161.36	10,245.03	7,031.24
8 Contribution to Core settlement guarantee fund (Core SGF) (Refer note 7 and 8)	(203.45)	-	-	(203.45)	-
9 Profit before tax from continuing operations (7-8)	2,792.80	2,428.67	2,161.36	10,041.58	7,031.24
10 Less: Income Tax expense					
(a) Current tax expense	713.82	535.71	527.37	2,521.01	1,685.93
(b) Deferred tax expense / (benefit)	(18.89)	26.73	(8.53)	18.69	12.41
Total tax expenses	694.93	562.44	518.84	2,539.70	1,698.34
11 Profit for the period / year from continuing operations (9-10)	2,097.87	1,866.23	1,642.52	7,501.88	5,332.90
12 Discontinued Operations (Refer note 16)					
(a) (Loss) from discontinued operations before tax	(20.20)	(35.94)	(47.85)	(127.97)	(118.95)
(b) Tax expense of discontinued operations	(10.79)	(4.20)	(14.38)	(17.92)	(15.66)
(c) (Loss) from discontinued operations (a-b)	(30.99)	(40.14)	(62.23)	(145.89)	(134.61)
13 Profit for the period / year (11+12)	2,066.88	1,826.09	1,580.29	7,355.99	5,198.29



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Year ended	
	31.03.2023 Refer note 1	31.12.2022 Unaudited	31.03.2022 Refer note 1	31.03.2023 Audited	31.03.2022 Audited
14 Other Comprehensive Income					
(a) <i>Items that will be reclassified to profit or loss (net of tax)</i>					
Changes in fair value of FVOCI debt instruments	5.71	3.95	(9.80)	(21.60)	(12.61)
Changes in foreign currency translation reserve	(0.85)	0.94	1.99	7.28	3.20
Changes in foreign currency translation reserve pertaining to discontinued operations	0.07	-	0.20	0.26	0.26
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>					
Remeasurements of post-employment benefit obligations	1.15	0.86	1.22	0.88	(0.96)
Remeasurements of post-employment benefit obligations pertaining to discontinued operations	(0.34)	(1.31)	(0.10)	(2.40)	(1.11)
Changes in fair value of FVOCI equity instruments	(2.67)	(2.87)	(2.58)	(4.52)	(3.86)
Share of other comprehensive income of associates accounted for using the equity method	(0.13)	(0.20)	0.71	2.05	0.56
Total other comprehensive income / (loss) for the period / year, net of taxes	2.94	1.37	(8.36)	(18.05)	(14.52)
15 Total comprehensive income for the period / year (13+14)	2,069.82	1,827.46	1,571.93	7,337.94	5,183.77
14 Profit attributable to :					
Owners of National Stock Exchange of India Limited	2,065.37	1,826.63	1,577.54	7,354.81	5,194.97
Non-Controlling Interests	1.51	(0.54)	2.75	1.18	3.32
15 Other comprehensive income attributable to :					
Owners of National Stock Exchange of India Limited	2.92	1.38	(8.38)	(18.04)	(14.49)
Non-Controlling Interests	0.02	(0.01)	0.02	(0.01)	(0.03)
16 Total comprehensive income attributable to :					
Owners of National Stock Exchange of India Limited	2,068.29	1,828.01	1,569.16	7,336.77	5,180.48
Non-Controlling Interests	1.53	(0.55)	2.77	1.17	3.29
17 Total comprehensive income attributable to owners of National Stock Exchange of India Limited arises from					
Continuing Operations	2,101.08	1,868.91	1,634.06	7,485.97	5,319.23
Discontinued Operations	(32.79)	(40.90)	(64.90)	(149.20)	(138.75)
18 Paid-up equity share capital (Face value Re. 1 per share)	49.50	49.50	49.50	49.50	49.50
19 Reserves (excluding Revaluation Reserve)				20,428.97	15,360.93
20 Earnings per equity share for profit from continuing operations attributable to owners of National Stock Exchange of India Limited (FV Re. 1 each)					
- Basic and Diluted (Rs.)	42.38*	37.70*	33.19*	151.55	107.74
21 Earnings per equity share for profit / losses from discontinued operations attributable to owners of National Stock Exchange of India Limited (FV Re. 1 each)					
- Basic and Diluted (Rs.)	(0.66)*	(0.80)*	(1.31)*	(2.97)	(2.79)
22 Earnings per equity share for profit from continuing and discontinued operations attributable to owners of National Stock Exchange of India Limited (FV Re. 1 each)					
- Basic and Diluted (Rs.)	41.72*	36.90*	31.88*	148.58	104.95

* Not annualised

Segment Information

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Parent Company. The Group has identified the following segments i.e. Trading Services, Clearing Services and Strategic Investment as reporting segments based on the information reviewed by CODM.

1: **Trading Services** : This part of the business/offers services related to trading in equity, equity derivatives, debt, currency derivatives and commodity derivatives segments. Revenue includes transaction charges, listing & book building fees, revenue from data centre charges etc.

2: **Clearing Services** : This part of the business/offers clearing and settlement of the trades executed in the capital markets, future & options, currency derivatives and commodity derivatives segments

3: **Strategic Investments** : This part of business is related to making or holding all strategic investments in the equity shares and / or other securities of various group companies.

4: **Other segments** includes results of operations from data feed services, data terminal services and index licensing services.

Until the previous quarter ended December 31, 2022, data feed services and index licensing services were disclosed as separate reportable operating segments. During the quarter ended March 31, 2023, the Company has changed the composition of the reportable operating segments to include the data feed services and index licensing services in other segments. The corresponding items of segment information for earlier periods have been accordingly restated.

The above business segments have been identified considering :

- the nature of products and services
- the differing risks
- the internal organisation and management structure, and
- 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.

(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 quarter ended 31st March, 2023				For the quarter ended 31st December, 2022				For the quarter ended 31st March, 2022				For the year ended 31st March, 2023				For the year ended 31st March, 2022			
	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results	Segment Revenue	Inter-segment revenue	Revenue from external customers	Segment Results
Trading Services	3,295.31	15.11	3,280.20	2,610.26	2,628.96	11.76	2,617.20	2,016.39	2,501.46	13.48	2,487.98	1,911.40	11,182.55	60.19	11,122.36	8,916.13	7,763.32	54.08	7,709.24	6,014.38
Clearing Services	242.83	180.17	62.66	(16.29)	243.46	144.79	98.67	50.77	198.32	143.20	55.12	18.84	915.78	604.60	311.18	75.56	676.75	414.34	262.41	100.17
Strategic Investments	-	-	-	(3.63)	-	-	-	(3.81)	-	-	-	(0.69)	190.09	190.07	0.02	(8.87)	140.37	140.37	-	(2.71)
Other Segments	164.25	53.92	110.33	69.50	149.72	41.30	108.42	68.11	142.56	50.64	91.92	41.17	637.62	214.95	422.67	265.06	495.04	153.56	341.48	183.32
Total	3,702.39	249.20	3,453.19	2,659.84	3,022.14	197.85	2,824.29	2,131.46	2,842.34	207.32	2,635.02	1,970.72	12,926.04	1,069.81	11,856.23	9,247.88	9,075.48	762.35	8,313.13	6,295.16
Unallocable income (Net of Expenses)				171.91				164.96				93.21				496.25				340.72
Interest income				139.48				104.64				63.38				412.40				219.60
Profit before Exceptional items, contribution to Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax from Continuing Operations				2,971.23				2,401.06				2,127.31				10,156.53				6,855.48
Share of net profits of associates accounted for using equity method				25.02				27.61				32.43				88.50				90.28
Profit before Exceptional items, contribution to Core settlement guarantee fund (Core SGF) and Tax				2,996.25				2,428.67				2,159.74				10,245.03				6,945.76
Exceptional items																				
Profit on sale of investment in Power Exchange India Limited				-				-				1.62				-				1.62
Reversal of Provision for Impairment of Intangible assets under development				-				-				-				-				68.23
Settlement compensation towards cancellation of contract				-				-				-				-				15.63
Add: Compensation towards cancellation of contract				-				-				-				-				-
Profit after Exceptional items before contribution to Core settlement guarantee fund (Core SGF) and Tax				2,996.25				2,428.67				2,161.36				10,245.03				7,031.24
Contribution to Core settlement guarantee fund (Core SGF)				(203.45)				-				-				(203.45)				-
Profit before tax from continuing operations				2,792.80				2,428.67				2,161.36				10,041.58				7,031.24
Less: Income Tax Expense																				
Current Tax expense				(713.82)				(535.71)				(527.37)				(2,521.01)				(1,685.93)
Deferred Tax expense / (benefit)				18.89				(26.73)				8.53				(18.69)				(12.41)
Total tax expenses				(694.93)				(562.44)				(518.84)				(2,539.70)				(1,698.34)
Profit for the period / year from continuing operations				2,097.87				1,866.23				1,642.52				7,501.88				5,332.90
(Loss) from discontinued operations before tax				(20.20)				(35.94)				(47.85)				(127.97)				(118.95)
Tax expense of discontinued operations				(10.79)				(4.20)				(14.38)				(17.92)				(15.66)
(Loss) from discontinued operations				(30.99)				(40.14)				(62.23)				(145.89)				(134.61)
Profit for the period / year				2,066.88				1,826.09				1,580.29				7,355.99				5,198.29

(c) Segment Assets :

Segment assets are measured in the same way as in the Balance Sheet. These assets are allocated based on the operations of the segment.

	(Rs. Crs)	
Segments	31.03.2023	31.03.2022
Trading Services	4,395.68	4,249.33
Clearing Services *	11,369.65	15,051.20
Strategic Investments	393.49	721.89
Other Segments	133.88	501.46
Total Segment Assets	16,292.70	20,523.88
Asset Classified as held for Sale	786.21	-
Unallocable Assets	19,485.43	15,083.12
Total Assets	36,564.34	35,607.00

Treasury investments held by the Group are not considered to be segment assets but are managed by the treasury function. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable. Interest income are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

* Segment Asset include amount pertaining to Core SGF maintained by NSE Clearing Limited and NSE IFSC Clearing Corporation Limited (NSE IFSC CC) as follows

Particulars	31.03.2023	31.03.2022
Contribution to Core SGF	4,797.22	3,971.25
Contribution to SGF - Commodity Derivatives	250.00	250.00
Contribution to Core SGF - NSE IFSC CC	11.91	10.77

(d) Segment Liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment

	(Rs. Crs)	
Segments	31.03.2023	31.03.2022
Trading Services	3,249.09	4,537.35
Clearing Services	11,033.64	14,137.94
Strategic Investments	6.31	1.19
Other Segments	33.79	453.76
Total Segment Liabilities	14,322.83	19,130.24
Liabilities directly associated with assets classified as held for Sale	421.54	-
Unallocable Liabilities	1,339.40	1,058.37
Core Settlement Guarantee Fund	(5,283.61)	(4,255.12)
Total Liabilities	10,800.16	15,933.49

(e) Segment Capital Expenditure

Segments	31.03.2023	31.03.2022
Trading Services	292.83	558.57
Clearing Services	41.14	100.89
Strategic Investments	-	-
Other Segments	14.66	48.77
Total Segment Capital Expenditure	348.63	708.23
Unallocable Capital Expenditure	-	-
Total Capital Expenditure	348.63	708.23

(f) Revenue From External Customers based on geographies

The company is domiciled in India. The amount of Group revenue from external customers broken down by location of customers.

	31.03.2023	31.03.2022
India	11,628.63	8,120.72
Outside India	227.60	192.41
Total Revenue	11,856.23	8,313.13

(g) Segment Depreciation / Amortisation

Segments	31.03.2023	31.03.2022
Trading Services	328.35	271.24
Clearing Services	44.77	25.69
Strategic Investments	-	-
Other Segments	10.47	13.05
Total Segment Depreciation / Amortisation	383.59	309.98
Unallocable Depreciation / Amortisation	0.47	0.47
Total Depreciation / Amortisation	384.06	310.45

NATIONAL STOCK EXCHANGE OF INDIA LIMITED
STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(Rs. in crores)

Particulars	As at	As at
	31.03.2023	31.03.2022
	Audited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	936.35	964.84
Right of use assets	185.39	165.82
Capital work-in-progress	53.42	90.54
Goodwill	206.86	410.89
Other intangible assets	70.93	88.80
Intangible assets under development	45.07	67.16
Investment in associates accounted for using the equity method	649.44	563.71
Financial assets		
- Investments	9,148.79	4,915.59
- Other financial assets		
Non-current bank balances	952.90	289.35
Others	27.38	13.59
Income tax assets (net)	538.38	498.20
Deferred tax assets (net)	11.32	20.42
Other non-current assets	773.13	1,129.46
Total non-current assets	13,599.36	9,218.37
Current assets		
Financial assets		
- Investments	8,156.51	7,941.67
- Trade receivables	1,589.21	1,614.95
- Cash and cash equivalents	5,897.51	9,557.18
- Bank balances other than cash and cash equivalents*	5,685.67	6,765.56
* Includes Rs.4,053.13 crores (Previous Year : Rs. 8,563.11 crores) pertaining to settlement obligation and margin money from members		
- Other financial assets	141.51	278.59
Other current assets	708.36	230.68
Total current assets	22,178.77	26,388.63
Assets classified as held for sale (Refer note 16)	786.21	-
TOTAL ASSETS	36,564.34	35,607.00
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	49.50	49.50
Other equity	20,428.97	15,360.93
Equity attributable to owners of National Stock Exchange of India Limited	20,478.47	15,410.43
Non controlling interest	1.91	7.85
TOTAL EQUITY	20,480.38	15,418.28
CORE SETTLEMENT GUARANTEE FUND		
- Core settlement guarantee fund paid	4,809.13	3,982.02
- Core settlement guarantee fund payable	224.48	23.10
- Settlement guarantee fund paid - commodity derivatives	250.00	250.00
	5,283.61	4,255.12
INVESTOR PROTECTION FUND		
	0.19	0.11
LIABILITIES		
Non-current liabilities		
Financial liabilities		
- Lease liabilities	112.88	97.09
- Other financial liabilities	16.35	118.40
Provisions	52.14	52.70
Deferred tax liabilities (net)	158.35	137.90
Contract liabilities	69.34	58.11
Other non-current liabilities	5.41	5.41
Total non-current liabilities	414.47	469.61
Current liabilities		
Financial liabilities		
- Lease liabilities	23.44	17.59
- Deposits	2,881.11	2,323.63
- Trade payables	-	-
Total outstanding dues of micro enterprises and small enterprises	1.88	7.99
Total outstanding dues of creditors other than micro enterprises and small enterprises	260.28	341.22
- Other financial liabilities*	4,602.90	9,247.15
* Includes Rs.4,053.13 crores (Previous Year : Rs. 8,563.11 crores) pertaining to settlement obligation and margin money from members		
	7,769.61	11,937.58
Provisions	86.26	128.08
Contract liabilities	3.86	2.69
Income tax liabilities (net)	508.01	302.18
Other current liabilities	1,596.41	3,093.35
Liabilities directly associated with assets classified as held for sale (Refer note 16)	421.54	-
Total current liabilities	10,385.69	15,463.88
TOTAL LIABILITIES	10,800.16	15,933.49
TOTAL EQUITY AND LIABILITIES	36,564.34	35,607.00

NATIONAL STOCK EXCHANGE OF INDIA LIMITED		
STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023		
	(Rs.in Crores)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX FROM		
Continuing Operations	10,041.58	7,031.24
Discontinued Operations	(127.97)	(118.95)
PROFIT BEFORE TAX INCLUDING DISCONTINUED OPERATIONS	9,913.61	6,912.29
Adjustments for		
Depreciation and amortisation expense	415.93	338.36
Interest income from financial assets at amortised cost	(301.26)	(168.04)
Income from investments	(328.54)	(256.07)
Interest income from investments designated at FVOCI	(114.86)	(55.65)
Rental income	(1.32)	(3.05)
Dividend income from equity investments designated at FVOCI	(0.39)	(0.59)
Net gain on financial assets mandatorily measured at FVPL	(359.94)	(252.82)
Net gain on sale of financial assets mandatorily measured at FVPL	(105.11)	(66.94)
Profit on sale of investment in Power Exchange of India Limited	-	(1.62)
Net (gain) / loss on disposal of property, plant and equipment	-	(0.25)
Doubtful debts written off	14.59	8.29
Provision for doubtful debts	0.06	21.92
Reversal/ (Provision) for Impairment / write off of Intangible assets under development	60.81	(68.23)
Settlement compensation towards cancellation of contracts	-	(21.10)
Loss on sale of discarded assets	0.65	0.18
Share of net profit of associates accounted by using equity method	(88.50)	(90.28)
Contribution to Core settlement guarantee fund	199.45	-
Interest on lease liabilities	8.61	8.90
Change In operating assets and liabilities		
(Increase)/ Decrease in trade receivables	(216.19)	(646.58)
Increase/ (Decrease) in trade payables	54.18	108.71
(Increase)/ Decrease in other financial assets	(0.86)	37.81
(Increase)/ Decrease in other assets	(150.80)	(454.37)
Increase/ (Decrease) in other financial liabilities	(4,631.68)	559.27
Increase/ (Decrease) in provisions	0.29	58.11
Increase/ (Decrease) in other liabilities	(1,395.12)	680.44
(Refund)/ Proceeds of deposits	557.48	343.25
Change in core settlement guarantee fund	561.23	462.30
CASH GENERATED FROM OPERATIONS	4,092.32	7,454.24
Income taxes paid	(2,357.83)	(1,622.55)
NET CASH INFLOW FROM OPERATING ACTIVITIES - TOTAL (A)	1,734.49	5,831.69
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangibles assets	(406.41)	(599.64)
Proceeds from property, plant and equipment and intangibles assets	2.74	90.87
Proceeds from rental income	1.32	3.05
(Payment) / proceeds from investments (Net)	(4,031.12)	(3,194.83)
Proceeds from sale of investment in Power Exchange of India Limited	-	1.62
(Payment) / proceeds from investments in deposits with financial institutions (Net)	115.38	193.57
Payment for acquisition of subsidiary (net of cash acquired)	-	(13.52)
Payment for investment in associates	(10.00)	(20.00)
(Payment) / proceeds from fixed deposits / Bank balances other than cash & cash equivalents (Net)	350.99	(1,216.51)
Interest received	744.84	555.71
Dividend received (including dividend from associate companies)	15.21	14.41
NET CASH OUTFLOW FROM INVESTING ACTIVITIES - TOTAL (B)	(3,217.04)	(4,185.27)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,079.00)	(1,224.97)
Acquisition of non controlling interest in subsidiary	(2.54)	(4.09)
Payment of lease liabilities	(9.83)	(20.35)
Interest on lease liabilities	(8.61)	(8.90)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)	(2,099.98)	(1,258.31)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(3,582.53)	388.11
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,557.18	9,169.07
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,974.65	9,557.18
* Includes amount received from members towards settlement obligation and margin money.		
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(3,582.53)	388.11

NATIONAL STOCK EXCHANGE OF INDIA LIMITED		
STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023		
	(Rs.in Crores)	
	For the year ended 31.03.2023	For the year ended 31.03.2022
CASH AND CASH EQUIVALENTS AT END OF THE YEAR COMPRISES OF		
Cash and cash equivalents from continuing operations	5,897.51	9,557.18
Cash and cash equivalents classified as held for sale	77.14	-
	5,974.65	9,557.18
<i>Reconciliation of cash and cash equivalents as per the statement of cash flows</i>		
Cash and cash equivalents as per above comprise of the following		
Balances with banks :-		
Deposits with original maturity of less than three months	542.83	7.70
Government Securities with original maturity of less than three months	39.38	
In current accounts	5,392.43	9,549.47
Cash on hand	0.01	0.01
Bank overdrafts	-	-
Balances per statement of cash flows	5,974.65	9,557.18

Notes :-

- 1 The above Consolidated Financial Results for the quarter and year ended March 31, 2023, have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on May 15, 2023. The financial results for the year ended March 31, 2023, were subject to audit by the Statutory Auditors of the Company and the figures for the quarter ended March 31, 2023, and March 31, 2022, are the balancing figures between audited figures in respect of full financial year and published year to date figures upto the third quarter of the respective financial year.
- 2 a. The Board of Directors in its meeting held on May 15, 2023 have recommended a dividend of 8000% (Rs.80 per equity share of Re. 1 each).
b. The Board of Directors in its meeting held on May 15, 2023 has decided to appropriate an amount of Rs.6,583 crores from retained earnings to a separate reserve within equity towards adequate risk capital management.
- 3 Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Limited (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. Accordingly, investigations were carried out and the reports were submitted to SEBI. Further, SEBI in September 2016, directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016, be transferred to a separate bank account. In terms of the said directions, NSE continued to transfer the amount till May 2021, when SAT allowed the release of the amounts from such separate bank account (as further explained below).

Three separate show cause notices (SCN) on May 22, 2017, and July 03, 2018, were issued by SEBI to NSE and to some of its employees, including former employees, in respect of the alleged preferential access to tick-by-tick data in NSE's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest related matters which were responded to by NSE. NSE had also filed a Consent Application with SEBI on August 31, 2018, in respect of the said show cause notices. SEBI vide its letter dated April 30, 2019, returned the Consent Application filed by NSE and passed orders in respect of all the three show cause notices. In the first order, it passed a direction on NSE inter alia to disgorge an amount of Rs. 624.89 crore along with interest at the rate of 12% per annum from April 01, 2014, till the actual date of payment and certain non-monetary and restrictive directions prohibiting NSE from accessing securities market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of Rs. 62.58 crore along with interest at the rate of 12% p.a. from September 11, 2015, till the actual date of payment along with certain non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE also received Adjudication notices covering the above three orders for which NSE has filed its replies with SEBI. With respect to Adjudication notices pertaining to preferential access to tick-by-tick data at NSE's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest matters, SEBI has passed orders and vide the said orders levied monetary penalty of Rs. 1 crore, Rs. 7 crore and Rs. 1 crore, respectively.

NSE having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with SAT. SAT vide its interim order has stayed the disgorgement of the amount, however it directed NSE to transfer the amount of Rs. 624.89 crore in the Colocation matter and Rs. 62.58 crore in the Dark Fibre matter totaling to Rs. 687.47 crore to SEBI which was remitted by NSE on June 13, 2019. Further, NSE was also directed by SAT to continue to transfer all revenues emanating from its co-location facility to a separate bank account. With respect to Governance and conflict of interest related matters, Hon'ble SAT vide its interim order has kept the directions passed in the SEBI order in abeyance.

NSE's appeal in respect of the colocation matter had been heard by the Hon'ble SAT and the same was reserved for orders. NSE had, in the interim, filed an application with Hon'ble SAT to permit withdrawal of the amounts transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues emanating from its co-location facility to such separate bank account going forward. Hon'ble SAT heard the matter on May 17, 2021, and modified its earlier order dated May 22, 2019, and allowed NSE to withdraw the amounts previously transferred to such account, discontinue further transfer of future revenues and close the separate account. However, in order to balance the equities, Hon'ble SAT directed NSE to transfer an additional amount of Rs. 420 crore into an interest-bearing account with SEBI which was remitted by NSE on June 17, 2021. Accordingly, as on December 31, 2022, a total amount of Rs.1,107.47 crore had been deposited by NSE with SEBI. Hon'ble SAT further vide its order in June 2021, directed the parties for a refresher hearing which was concluded in November 2021.

Hon'ble SAT has passed order dated January 23, 2023, while upholding the non-monetary directives of SEBI has inter alia set aside the SEBI direction for disgorgement. Hon'ble SAT exercising its power has imposed a penalty of Rs. 100 crores on NSE as a deterrent for the lack of due diligence. NSE has duly provided for the said penalty in its financial statements for the year ended March 31, 2023. This said penalty amount is to be adjusted by SEBI against the disgorgement amount already deposited by NSE, which is to be refunded by SEBI within six weeks along with interest.

SEBI preferred an Appeal against the SAT Order dated January 23, 2023, before the Hon'ble Supreme Court. The Hon'ble Supreme Court vide its order dated March 20, 2023, directed SEBI to refund to NSE Rs.300 Crores upon filing an undertaking to the effect that in case the Appeal of SEBI is allowed, then NSE will repay the entire amount to SEBI. NSE filed its undertaking with SEBI on March 28, 2023. The amount of Rs.300 Crores was received by NSE on April 21, 2023. The returnable date for the matter would be in the month of September 2023.

With respect to adjudication orders, SAT, in an appeal filed by NSE stayed the penalty levied by SEBI in relation to preferential access to tick by tick data at NSE's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest matters. Hearings in the Dark Fibre matter before SAT has been concluded and is now reserved for Orders.

NSE believes that it has strong grounds to contest each of the above orders including monetary liability (including from completed / pending adjudication proceedings) passed by SEBI. Accordingly, no provision for any liability in this regard is considered necessary in the financial statements as of and for the year ended March 31, 2023, and March 31, 2022.

- 4 NSE was in receipt of Show Cause Notice issued by SEBI on October 9, 2019, and a Supplementary notice on December 16, 2019, alleging violation in relation to certain alleged irregularities in the appointment of Chief Strategic Advisor and his re-designation as 'Group Operating Officer and Advisor to MD' by the former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to NSE with an alleged third party by former Managing Director & Chief Executive Officer. NSE filed a Settlement Application with SEBI on December 11, 2019, which was returned to NSE on October 27, 2020. During the year ended March 31, 2022, SEBI vide order dated February 11, 2022, levied penalty of Rs. 2 Crore which has been paid by NSE. In this direction, certain investigating agencies have been making inquiries and seeking various information, data etc. from NSE, which is being provided.

- 5 On February 24, 2021, NSE's trading system was halted due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of NSE, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited (NCL) and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. NSE and NCL have submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021, directed NSE and NCL to pay financial disincentive of Rs. 25 lakhs each. The said amount was paid by NSE on July 12, 2021, and NCL on July 14, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021, to NSE, NCL and some of its employees alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019, and Regulation 12(6) read with Regulation 7(3)(a) and 7(3)(c) of SECC Regulation 2018 for which detailed response was filed and hearing has been completed. In this regard, NSE and NCL have taken necessary remedial actions and both have filed consent application with SEBI on August 31, 2021 and September 03, 2021, respectively, against which, during the year, preliminary hearing on maintainability of the said consent application had taken place and the NSE and NCL has filed revised consent terms on March 19, 2023. The revised consent application is under review with relevant authority at SEBI. NSE and NCL is of the view that pending conclusion of this matter with SEBI, no provision /adjustment to this effect is required to be made in the financial statements as of and for the year ended March 31, 2023.
- 6 During the year ended March 31, 2023, NSE received a show cause notice vide letter dated February 28, 2023, from SEBI on the Trading Access Point (TAP) matter. NSE has filed the settlement application ("the application") in response to the said SCN vide letter dated April 28, 2023. The said application is in continuance of the earlier consent application filed by NSE during the financial year ended March 31, 2022. In the application, NSE has submitted its grounds of consent and has also stated that it is consenting without admission of liability or guilt and is willing to pay a fair sum in line with the settlement regulations. NSE's management is of the view that pending the conclusion of this matter with SEBI, no provision / adjustment to this effect is required to be made in the financial statements as of and for the year ended March 31, 2023.
- 7 The Board of Directors of NSE in their meeting on March 23, 2023, approved the voluntary contribution of Rs. 203.45 crores to the Core Settlement Guarantee Fund ("the Fund") to maintain corpus of the said Fund based on the assessment of the current trends in volumes and overall increase in market activities. This contribution has been determined at 2% of the transaction charges earned by NSE for the financial year ended March 31, 2023. Accordingly, NSE has recognized an expense of Rs. 203.45 Crores towards contribution to Core SGF, in the Statement of Profit and Loss. During the year ended March 31, 2023, NSE has paid Rs. 4 crores to the fund managed by NSE Clearing Limited ("NCL") and subsequently has also transferred the balance amount of Rs. 199.45 crores to the Fund managed by NCL on May 10, 2023.
- 8 (a) In case of NCL, SEBI, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%), Stock Exchange (minimum 25%) and members (maximum 25%). 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. Accordingly, total Core SGF as on March 31, 2023, is Rs. 4,797.23 crores (as on March 31, 2022: Rs.3,971.25 crores).

Details of Core SGF as on March 31, 2023 is as follows: (Rs. in Crores)

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
NSE Clearing Limited's contribution (NCL)	174.00	1,168.00	122.00	3.00	8.50	5.00	-	1,480.50
National Stock Exchange of India Limited's (NSE) contribution	87.00	584.00	48.00	1.00	8.50	2.50	0.77	731.77
Contribution by NSE on behalf of Member	87.00	584.00	61.00	-	-	2.50	-	734.50
BSE Limited's Contribution	7.56	0.06	15.16	-	-	-	-	22.78
Metropolitan Stock Exchange of India Limited's Contribution	0.01	-	1.34	-	-	-	-	1.35
Penalties	267.86	1,186.26	51.44	-	-	0.16	-	1,505.72
Income on Investments	46.32	239.50	23.91	1.02	5.36	2.27	1.23	319.61
Others	1.00	-	-	-	-	-	-	1.00
Total	670.76	3,761.80	322.85	5.02	22.36	12.43	2.00	4,797.23

• NCL's own contribution to Core SGF appropriated out of profits during the quarter ended March 2023 Rs. 210.35 crores, December 2022 Rs. 43.65 crores and March 2022 Rs. NIL, for the year ended March 2023 Rs. 267.89 crores (For year ended March 2022 Rs. NIL).

(b) In case of the subsidiary company NSE IFSC Clearing Corporation (NICCL), as per Regulation 31 of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12th April 2021, a recognised clearing corporation shall establish and maintain a Settlement Guarantee Fund to guarantee the settlement of trades executed in the stock exchanges in International Financial Service Centre (IFSC) and the fund shall have a corpus equivalent to at least the minimum required corpus as arrived at from the monthly stress test value or USD 1 million, whichever is higher.

Total Core SGF of Subsidiary NSE IFSC Clearing Corporation (NICCL) as on March 31, 2023 is Rs.11.91 crores (as on March 31, 2022: Rs. 10.76 Crores)

	(Amount in Rs Crores)	
	31.03.2023	31.03.2022
Contribution by NICCL	10.65	10.65
Fines & Penalties	0.05	0.05
Income on investments	1.21	0.06
Total	11.91	10.76

(c) NCL had received approval from SEBI to start clearing and settlement activities in Commodity Derivatives and commenced operations from October 12, 2018. As required by SEBI, an amount of Rs.250 crores has been earmarked towards a separate fund to augment Settlement Guarantee Fund for Commodity Derivatives by way of appropriation from General Reserves. Further, NCL has also earmarked investments amounting to Rs. 250 crores towards the same.

- 9 NCL's contract pertaining to clearing and settlement system was terminated and an amount of Rs.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 year ended March 31, 2021, amounting to Rs.68.23 crores has been reversed and the balance amount of Rs.15.63 crores has been accounted as settlement compensation, which has been disclosed as an exceptional item.
- 10 During the year ended March 31, 2023, NCL has given additional bank guarantee of Rs.1,000 crores (March 31, 2022 : Rs.2,000 crores) in favour of ICCL towards Inter Clearing Corporation collateral under interoperability framework as prescribed by SEBI. Total bank guarantee amount as on March 31, 2023, is Rs.4,000 crores (March 31, 2022 : Rs.3,000 crores).
- 11 During the previous year ended March 31, 2022, SEBI issued a show cause notice to NCL alleging non-compliance with certain paragraphs of SEBI circular dated December 17, 2018, for failure to share alerts with other exchange post interoperability. During the year ended March 31, 2023, SEBI levied penalty of Rs.0.25 crores to NCL, which is included in other expenses for the quarter ended December 2022 and year ended March 2023. The same has been paid on February 9, 2023.
- 12 NSE IFSC Limited (NSE IFSC), a subsidiary of NSE and NICCL have received a show cause notice from Office of the Development Commissioner, GIFT SEZ on October 21, 2022, for non-achievement of positive Net Foreign Exchange for the first block of five years from June 2017 to June 2022. The NSE IFSC and NICCL have filed the necessary reply and have attended the physical hearings in the said matters. The orders in the said matter is awaited. The NSE IFSC and NICCL is of the view that it has strong grounds to contest the said show cause and accordingly no provision / adjustment to this effect has been made in the financial statements as at and for the year ended March 31, 2023.
- 13 During the year ended March 31, 2021, NSE and Singapore Stock Exchange (SGX) had entered into a collaboration agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect which will bring together international and Gujarat International Finance Tec City (GIFT) participants to create a bigger liquidity pool for Nifty Products in Gift City and to develop the infrastructure for the NSE IFSC-SGX Connect and ensure member readiness prior to its implementation. Further, NSE IFSC on March 28, 2022, entered into an operational agreement with SGX India Connect IFSC Private Limited (SGX-SPV), Singapore Exchange Derivatives Clearing Limited and NICCL to operationalise the NSE IFSC-SGX Connect. As a first phase of operationalisation of the NSE IFSC-SGX Connect, trading of Negotiable Large Trades (NLT) from Singapore Exchange (SGX Group) has been introduced from May 16, 2022, and on July 29, 2022, NSE IFSC-SGX Connect has been launched. As per this operational agreement, NICCL is required to provide collateral to SGX-DC for the due performance of its clearing obligations in respect of the trades placed by SGX-SPV on NSE IFSC. In this regard during the current year, NICCL has availed Bank Guarantee facility from Standard Chartered Bank amounting to USD 20 million (Rs. 163.10 crores), in respect of which NSE has provided corporate guarantee to the Standard Chartered Bank.
- 14 During the previous year ended March 31, 2022, a subsidiary company NSE Investments Limited (NIL) held 2,00,00,030 equity shares representing 34.21% shareholding of Power Exchange India Limited (PXIL). As per the Power Market Regulations, 2010, NIL was required to bring down its shareholding in PXIL to 25% by April 2022. Accordingly, to meet with these requirements, NIL had 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. NIL post this transaction held 1,70,76,527 equity shares representing 29.21% shareholding of PXIL as at March 31, 2022. Since NIL had previously impaired the entire value of its investment in PXIL, the sale of shares resulted in inflow of Rs. 1.62 crores which was shown as an exceptional item in the statement of Profit and Loss for the quarter and year ended March 31, 2022.
- 15 International Financial Services Authority (Market Infrastructure Institutions) Regulations, 2021 has prescribed a net worth criteria of at least USD 3 million, at all times, for stock exchanges operating in International Financial Services Centre (IFSC). As at December 31, 2022, the net worth of NSE IFSC was USD 1.24 million, which was below the prescribed limit. In this direction NSE IFSC has raised additional funds amounting to ~ USD 6.04 million (equivalent to INR 50 crores) from NSE post all regulatory approvals and accordingly, the net worth requirement was compiled on February 18, 2023.
- 16 NIL vide its Board meeting held on February 1, 2023, has in-principle approved sale / divestment of Education Business and Technology Business. Pending required regulatory approval, the management has classified the business operations of Education Business and Technology Business as discontinued operations as they meet the conditions as prescribed under Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Details of discontinued operations is given as under :

Particulars	Quarter ended			Year ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
Total Income	255.15	220.48	214.50	861.66	631.14
Total Expenses	275.35	256.42	262.35	989.63	750.09
(Loss) from discontinued operations before tax	(20.20)	(35.94)	(47.85)	(127.97)	(118.95)
Tax expense of discontinued operations	10.79	4.20	14.38	17.92	15.66
(Loss) from discontinued operations (a-b)	(30.99)	(40.14)	(62.23)	(145.89)	(134.61)

Previous period financial information in relation to discontinued operations has been presented in the consolidated financial results as per the disclosure requirements of Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations".

- 17 Previous period's / year figures have been regrouped / reclassified wherever necessary to correspond with the current period classification / disclosure.

For and on behalf of the Board of Directors

Place : Mumbai
Date : May 15, 2023

Ashishkumar Chauhan
Managing Director & CEO
DIN : 00898469