

Price Waterhouse & Co Chartered Accountants LLP

To 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 Standalone Financial Results

Opinion

1. We have audited the standalone annual financial results of National Stock Exchange of India Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2021 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date (together referred to as the "standalone financial results"), attached herewith, being submitted by the Company pursuant to Regulation 33 of Securities Contracts (Regulation) (Stock Exchange 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, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) 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 Company for the year ended March 31, 2021 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. 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 Standalone Financial Results' 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

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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 Standalone Financial Results

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Emphasis of Matter

4. We draw your attention to Note 4 to the standalone financial results, relating to the contingent liability, that describes the Orders issued by the Securities and Exchange Board of India ("SEBI") on April 30, 2019 wherein disgorgement/demand aggregating Rs. 687.47 crore (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the Company pursuant to an investigation conducted in relation to preferential access to tick by tick data at the Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters. SEBI further directed the Company to undertake certain remedial measures, actions and imposed restrictions. The Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above orders. Adjudication hearing before SEBI is pending related to the Dark Fiber point to point connectivity and Governance and related matters. Adjudication hearing on preferential access to tick by tick data at the Company's Colocation facility has been completed and SEBI has levied penalty of Rs 1 crore. The Company has deposited Rs 687.47 crore with SEBI in respect of these orders and continues to transfer revenues emanating from the colocation facility to a separate bank account, which are then invested along with accruals there on, and have been shown under restricted/earmarked investments and bank balances in the standalone financial statements. The Company has filed appeals to contest the aforesaid orders 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 results. Our opinion is not modified in respect of these matters.

Board of Directors' Responsibilities for the Standalone Financial Results

5. These standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of 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 Board of Directors of the Company are responsible for 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 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 standalone 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 standalone financial results by the Directors of the Company, as aforesaid.

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6. In preparing the standalone financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial results.
9. 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 standalone 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 12 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 Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial 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 or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Price Waterhouse & Co Chartered Accountants LLP

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10. We communicate with those charged with governance of the Company 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.

Other Matters

11. The standalone financial results include the results for the quarter ended March 31, 2021 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 are neither subject to limited review nor audited by us.
12. The standalone annual financial results dealt with by this report has been prepared for the express purpose of complying with Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018 (the "SECC Regulations") read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"). These results are based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2021 on which we issued an unmodified audit opinion vide our report dated May 11, 2021.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E - 300009



Sumit Seth

Partner

Membership Number: 105869

UDIN: 1105869AAAAAE6194

Mumbai

May 11, 2021



NATIONAL STOCK EXCHANGE OF INDIA LIMITED
CIN : U67120MH1992PLC069769



STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Year ended	
	31.03.2021 Unaudited	31.12.2020 Unaudited	31.03.2020 Unaudited	31.03.2021 Audited	31.03.2020 Audited
1 Income					
(a) Revenue from operations	1,621.04	1,192.34	839.13	4,848.29	2,832.43
(b) Other Income	145.47	123.10	(7.31)	617.76	397.46
Total Income	1,766.51	1,315.44	831.82	5,466.05	3,229.89
2 Expenses					
(a) Employee benefits expense	51.65	50.23	59.37	212.14	206.19
(b) Clearing & settlement charges	93.17	70.99	53.75	284.94	178.66
(c) Depreciation and amortisation expense	54.88	39.66	34.89	166.15	132.40
(d) Other expenses	261.98	197.79	232.57	767.31	595.88
Total expenses	461.68	358.67	380.58	1,430.54	1,113.13
3 Profit before exceptional items, Contribution to Core SGF and tax (1-2)	1,304.83	956.77	451.24	4,035.51	2,116.76
4 Exceptional items					
Contribution to Investor Protection Fund Trust (IPFT) (Refer note 5)	874.10	947.95	-	1,822.05	-
5 Profit after exceptional items, before Contribution to Core SGF and tax (3-4)	430.73	8.82	451.24	2,213.46	2,116.76
6 (Reversal)/Contribution to Core Settlement Guarantee Fund (Core SGF) (Refer note 10)	-	(69.07)	62.08	(62.08)	62.08
7 Profit before tax (5-6)	430.73	77.89	389.16	2,275.54	2,054.68
8 Less: Income Tax expenses					
(a) Current tax	118.62	7.00	132.00	504.62	510.00
(b) Deferred tax	(31.13)	10.02	(11.45)	(16.36)	(15.78)
Total Tax expenses	87.49	17.02	120.55	488.26	494.22
9 Profit for the period / year (7-8)	343.24	60.87	268.61	1,787.28	1,560.46
10 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	(11.84)	5.17	3.20	5.54	20.14
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>					
Remeasurements of post-employment benefit obligations	1.80	(0.29)	(0.59)	0.34	(4.52)
Changes in fair value of FVOCI equity instruments	3.55	0.78	(17.44)	4.43	(8.91)
Total other comprehensive income / (loss) for the period / year, net of taxes	(6.49)	5.66	(14.83)	10.31	6.71
11 Total comprehensive income for the period / year (9+10)	336.75	66.53	253.78	1,797.59	1,567.17
12 Paid-up equity share capital (Face Value ₹ 1 per share)	49.50	49.50	49.50	49.50	49.50
13 Reserves (excluding Revaluation Reserve)				8,119.67	6,866.58
14 Earnings per equity share (EPS) (Face Value ₹ 1 each)					
- Basic and Diluted (₹)	6.93*	1.23 *	5.43 *	36.11	31.52

* Not annualised

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

(₹ in crores unless otherwise stated)

Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	635.81	444.28
Right of Use Assets	93.60	98.60
Capital work-in-progress	7.84	33.19
Other intangible assets	43.42	58.57
Intangible assets under development	30.83	13.63
Investment in subsidiaries and associates	1,056.67	1,016.67
Financial assets		
- Investments	1,835.10	2,068.98
- Other financial assets		
Non-current bank balances	577.43	35.19
Others	15.76	43.82
Income tax assets (net)	374.34	374.20
Other non-current assets	717.78	722.55
Total non-current assets	5,388.58	4,909.68
Current assets		
Financial assets		
- Investments	4,450.00	2,704.05
- Trade receivables	834.82	550.92
- Cash and cash equivalents	39.42	68.85
- Bank balances other than cash and cash equivalents	891.03	206.17
- Other financial assets	341.84	533.24
Other current assets	146.51	147.73
Total current assets	6,703.62	4,210.96
TOTAL ASSETS	12,092.20	9,120.64
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	49.50	49.50
Other equity	8,119.67	6,866.58
TOTAL EQUITY	8,169.17	6,916.08
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	29.14	31.61
Other financial liabilities	12.96	-
Provisions	14.11	22.34
Deferred tax liabilities (net)	7.22	21.50
Contract Liabilities	21.23	16.54
Other non-current liabilities	5.41	5.41
Total non-current liabilities	90.07	97.40
Current liabilities		
Financial liabilities		
Lease liabilities	4.33	4.08
Deposits	1,047.51	1,033.12
Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	1.14	0.83
Total Outstanding dues of creditors other than micro enterprises and small enterprises	184.50	125.38
Other financial liabilities	171.92	252.89
	1,409.40	1,416.30
Contract Liabilities	1.08	0.31
Provisions	67.59	64.19
Income tax liabilities (net)	140.09	148.51
Other current liabilities	2,214.80	477.85
Total current liabilities	3,832.96	2,107.16
TOTAL LIABILITIES	3,923.03	2,204.56
TOTAL EQUITY AND LIABILITIES	12,092.20	9,120.64

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

	For the year ended 31.03.2021	For the year ended 31.03.2020
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	2,275.54	2,054.68
Adjustments for		
Depreciation and amortisation expense	166.15	132.40
Interest on lease liabilities	3.84	4.03
Provision for doubtful debts	3.61	9.24
Bad debts written off	4.37	-
Interest income from financial assets at amortised cost	(62.77)	(122.91)
Interest income from financial assets designated at fair value through other comprehensive income	(36.12)	(40.22)
Income on Investments	(74.31)	(60.21)
Dividend income	(206.99)	(137.97)
Rent income	(6.07)	(5.51)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	(137.08)	37.52
Net gain on sale of financial assets measured at fair value through other comprehensive income	-	(2.06)
Net gain on sale of financial assets measured at amortised cost	(9.73)	(23.09)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	(147.21)	(91.91)
Intangible assets under development written off	-	34.11
Net loss on sale of property, plant and equipment	-	5.93
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(291.89)	(191.56)
Increase/(Decrease) in trade payables	59.43	45.88
(Increase)/Decrease in other financial assets	(3.22)	9.20
(Increase)/Decrease in other assets	4.94	(750.13)
Increase/(Decrease) in other financial liabilities	(32.27)	82.55
Increase/(Decrease) in contract liabilities	5.46	3.83
Increase/(Decrease) in provisions	(4.37)	9.22
(Refund) /Proceeds of deposits from trading members / applicants	14.40	(59.56)
Increase/(Decrease) in other liabilities	1,736.95	92.73
CASH GENERATED FROM OPERATIONS	3,262.66	1,036.19
Income taxes paid	(513.18)	(461.02)
NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)	2,749.48	575.16
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment & intangibles	(321.33)	(247.52)
Proceeds from rent income	6.07	5.51
Proceeds from property, plant and equipment	0.37	0.74
Payment for investment in a subsidiary	(40.00)	(35.00)
Proceeds from sale of investments	22,591.80	17,584.20
Payment for purchase of investments	(23,578.54)	(17,618.88)
Proceeds from fixed deposits with banks	122.37	775.85
Proceeds from fixed deposits with financial institutions	265.00	178.87
Payment for investment in fixed deposits with banks	(1,381.03)	(180.41)
Payment for investment in deposits with financial institutions	(265.00)	(350.60)
Interest received	168.79	244.17
Dividend received	206.99	137.97
NET CASH INFLOWS / (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)	(2,224.51)	494.90
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including dividend distribution tax)	(544.50)	(1,034.53)
Payment of Lease liability	(6.06)	(2.04)
Interest on lease liabilities	(3.84)	(4.03)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)	(554.40)	(1,040.60)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(29.43)	29.47
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	68.85	39.38
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	39.42	68.85
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(29.43)	29.47
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following		
Cash and cash equivalents	39.42	68.85
Balances per statement of cash flows	39.42	68.85

Notes :

- 1 The above Standalone Financial Results for the year ended March 31, 2021 have been reviewed by the Audit Committee in its meeting held on May 10, 2021 and approved by the Board of Directors in its meeting held on May 11, 2021. The financial results for the year ended March 31, 2021 were subject to audit by the Statutory Auditors of the Company and the figures for the quarter ended March 31, 2021 and March 31, 2020 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 The Company has paid final dividend of ₹ 544.50 crores as approved by the shareholders in Annual General Meeting held on September 25, 2020.
- 3 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 MD & 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".
- 4 Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Ltd (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. Accordingly, Investigation were carried out and the reports were submitted to SEBI. Further, SEBI in September 2016 directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016 be transferred to a separate bank account. In terms of the said directions, NSE continues to transfer till date all revenues emanating from the colocation facility to a separate account. As of March 31, 2021, an amount of ₹ 6,085.04 crores (March 31, 2020 ₹ 3,606.73 crores) was transferred to a separate bank account and the same has been invested in accordance with Board's approved investment policy and procedures. These investments along with accruals there on have been shown under restricted / earmarked investments and bank balances.

Three separate show cause notices on May 22, 2017 and July 03, 2018 were issued by SEBI to the Company and to some of its employees, including former employees, in respect of the alleged preferential access to tick by tick data in Company's Colocation facility, Dark Fibre point to point connectivity and Governance and conflict of interest related matters which were responded to by NSE. NSE had also filed a Consent Application with SEBI on August 31, 2018 in respect of the said show cause notices. SEBI vide its letter dated April 30, 2019 returned the Consent Application filed by NSE and has passed three orders in respect of all the three show cause notices. In the first order, it has passed a direction on NSE inter alia to disgorge an amount of ₹ 624.89 crores along with interest at the rate of 12% per annum from April 01, 2014 till the actual date of payment and certain non-monetary and restrictive directions prohibiting the Company from raising funds from the market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of ₹ 62.58 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with certain non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE has also received Adjudication notices covering the above three orders for which NSE has filed its replies with SEBI. Hearing before SEBI in respect of all three Adjudication matters have been completed. With respect to Adjudication notice pertaining to preferential access to tick by tick data at the Company's Colocation facility, SEBI on February 10, 2021 passed an order and levied a monetary penalty of ₹ 1 crore. Order of SEBI in relation to Adjudication Dark Fiber point to point connectivity and Governance and conflict of interest matters is awaited.

The Company having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with Hon'ble Securities Appellate Tribunal (SAT). SAT vide its interim order has stayed the disgorgement of the amount, however it directed the Company to transfer the amount of ₹ 624.89 crores in the Colocation matter and ₹ 62.58 crores in the Dark Fibre matter totalling to ₹ 687.47 crores to SEBI which has been remitted by the Company on June 13, 2019 out of the total earmarked investments as indicated above. Accordingly, as on March 31, 2021 the total earmarked investments including income accrued thereon stood at ₹ 6,046.93 crores (March 31, 2020 ₹ 3,288.86 crores). Further, the Company was also directed to continue to transfer all revenues emanating from its co-location facility to a separate bank account. With respect to Governance and related matters, Hon'ble SAT vide its interim order has kept the directions passed in the SEBI order in abeyance. SAT, in an appeal filed by the Company also stayed the penalty levied by SEBI in relation to Adjudication order passed by it on preferential access to tick by tick data at the Company's Colocation facility.

While the Company's appeal in respect of the colocation matter has been heard by the Hon'ble SAT and the same is reserved for orders, the company has, in the interim, filed an application with Hon'ble SAT to permit withdrawal of the amount transferred to the separate account, as indicated above, and also to discontinue the transfer of all revenues emanating from its co-location facility to the separate bank account going forward. The hearing for the same is scheduled on May 17, 2021.

The Company believes that it has strong grounds to contest each of the above orders including monetary liability (including from completed / pending adjudication proceedings) passed by SEBI Accordingly, no provision for any liability in this regard is considered necessary in the financial results as of and for the year ended March 31, 2021.

- 5 NSE has established an Investor Protection Fund (NSE IPFT) with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI has comprehensively reviewed the existing framework in consultation with Stock Exchanges. Basis such review, SEBI decided to augment IPF Corpus and assessed required IPF corpus to be ₹ 1,500 crores. The Company was directed to transfer the requisite amount to bring the Corpus to ₹ 1,500 crores. Accordingly, the Company has paid ₹ 1,701 crores to NSE IPFT during the year ended March 31, 2021. Additionally, the Company has also provided ₹ 121.05 crores in relation to the investors' claims related to defaulted members, which are yet to be processed by IPFT. This provision has been estimated by applying past historical experience of claims admitted and paid to the outstanding claims through the date of approval of these financial statements including the maximum amount that can be paid to each investor in accordance with bye laws of NSE IPFT. Accordingly, amount of ₹ 1,822.05 crores has been recognised as an exceptional expense in the statement of profit and loss for the year ended March 31, 2021 considering the materiality of the amount, nature and incidence of these transactions.
- 6 As indicated in note no. 4 above, pursuant to the SEBI directives in the colocation matter, the Company is required to transfer all revenues emanating from the colocation facility to a separate bank account. Accordingly, as at March 31, 2021, the total amount in such restricted / earmarked investments and bank balances (including income accrued thereon) stood at ₹ 6,046.93 crores, which includes an amount of ₹ 2,758.07 (along with income accrued thereon) transferred/accrued to/in these accounts during the current year ended March 31, 2021. Further, as indicated in note no. 5 above, in view of recent member defaults and subsequent SEBI directives for augmenting the IPFT corpus, during the current year ended March 31, 2021, the Company has also contributed/provided ₹ 1,822.05 crores towards NSE IPFT. In view of the above, the Company does not have sufficient free cash at the current time to pay dividend after providing for operational and business needs. However, in accordance with the Company's dividend policy, the Company is committed to paying dividends to its shareholders and the Board of Directors would take an appropriate decision in this regard once the colocation amount becomes available.

- 7 The Company is in receipt of Show Cause Notice issued by SEBI on October 9, 2019 and a Supplementary notice on December 16, 2019 alleging violation in relation to certain alleged irregularities in the appointment of Chief Strategic Advisor and his re-designation as 'Group Operating Officer and Advisor to MD' by the former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the Company with an alleged third party by former Managing Director & Chief Executive Officer. The Company filed a Settlement Application with SEBI on December 11, 2019, which was returned to NSE on October 27, 2020. The Company has recently concluded the arguments on merits before SEBI in this matter and order of SEBI is awaited. SEBI has not indicated any specific measure or direction in respect of monetary liability in the matter. In view of the same, no provision is presently made/determinable in these financial results.
- 8 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.
- 9 On February 24, 2021, the Company's trading system halted due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of the Company, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. The Company has submitted a root cause analysis of the incident to SEBI.
- 10 SEBI vide circular dated January 8, 2021 has allowed transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation, in an inter-operable scenario. Accordingly, Core SGF contribution of ₹ 69.07 crores payable to India Clearing Corporation Limited (ICCL) has been reversed during the year ended March 31, 2021, and the same has been paid by NSE Clearing Ltd to ICCL.
- 11 Based on the Company's current assessment, the impact of coronavirus (COVID-19) on its operations and the resultant financial performance is not likely to be significant. The Company has also made an assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls as at the balance sheet date and is of the view that there is no material impact or adjustments required to be made in these financial results. The impact assessment of COVID-19 may be different from that presently estimated and the Company will continue to evaluate any significant changes to its operations and its resultant impact on the financial performance.
- 12 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 11, 2021

Vikram Limaye
Managing Director & CEO
DIN : 00488534