

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 Standalone Financial Results

Opinion

1. We have audited the statement of standalone annual financial results of National Stock Exchange of India Limited (hereinafter referred to as the "Company") for the year ended March 31, 2023, and the statement of standalone assets and liabilities and the statement of standalone 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 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, 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, 2023, and the statement of standalone assets and liabilities and the statement of standalone 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

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Emphasis of Matter

4. We draw your attention to Note 4 to the standalone 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 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 ("Orders"). SEBI further directed the 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 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 Hon'ble Securities Appellate Tribunal ("SAT"). In respect of the preferential access to tick-by-tick data at the 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 an 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 Company as a deterrent for the lack of due diligence and other lapses in compliance. The Company has recognized such penalty amount of Rs 100 crores which is included in other expenses in the standalone financial results during the year ended March 31, 2023. In this regard, SEBI filed an appeal before the Hon'ble Supreme Court, which has directed SEBI to refund Rs. 300 crores to the Company vide its order dated March 20, 2023. In case SEBI's appeal is allowed by the Hon'ble Supreme Court, the Company is required to repay to SEBI such amount of Rs. 300 crores which was received by the 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 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 standalone financial results, which continues to be disclosed as contingent liability in Note 4 to 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 statement of standalone assets and liabilities and the statement of standalone 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

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effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial results by the Directors of the Company, as aforesaid.

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.

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- 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.
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, 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 are neither subject to limited review nor audited by us.
12. The standalone financial results dealt with by this report has 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 standalone annual financial statements of the Company for the year ended March 31, 2023, on which we 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 17:24:16 +05'30'

Sumit Seth

Partner

Membership Number: 105869

UDIN: 23105869BGYNZL9023

Place: San Diego, United States of America

Date: May 15, 2023



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



STATEMENT OF STANDALONE 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
1 Income					
(a) Revenue from operations	3,294.89	2,628.56	2,501.31	11,181.03	7,762.80
(b) Other income	243.70	205.90	252.41	1,511.16	621.80
Total Income	3,538.59	2,834.46	2,753.72	12,692.19	8,384.60
2 Expenses					
(a) Employee benefits expense	73.66	62.12	94.55	280.60	274.28
(b) Clearing & settlement charges	201.70	162.56	149.65	679.69	458.23
(c) Depreciation and amortisation expense	76.72	75.75	95.38	302.21	259.72
(d) Other expenses	557.71	491.58	432.51	1,773.81	1,288.55
Total expenses (excluding contribution to Core Settlement Guarantee Fund)	909.79	792.01	772.09	3,036.31	2,280.78
3 Profit before contribution to Core SGF and tax (1-2)	2,628.80	2,042.45	1,981.63	9,655.88	6,103.82
4 Contribution to Core Settlement Guarantee Fund (Core SGF) (Refer note 8)	203.45	-	-	203.45	-
5 Profit before tax (3-4)	2,425.35	2,042.45	1,981.63	9,452.43	6,103.82
6 Less: Income Tax expense					
(a) Current tax	641.00	451.00	463.00	2,214.00	1,470.00
(b) Deferred tax	(25.29)	23.37	1.02	5.53	12.71
Total Tax expense	615.71	474.37	464.02	2,219.53	1,482.71
7 Profit for the period / year (5-6)	1,809.64	1,568.08	1,517.61	7,232.90	4,621.11
8 Other Comprehensive Income (OCI)					
(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)
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>					
Remeasurements of post-employment benefit obligations	0.80	0.82	1.01	0.83	(0.87)
Changes in fair value of FVOCI equity instruments	(2.67)	(2.87)	(2.59)	(4.52)	(3.87)
Total other comprehensive income / (loss) for the period / year, net of taxes	3.84	1.90	(11.38)	(25.29)	(17.35)
9 Total comprehensive income for the period / year (7+8)	1,813.48	1,569.98	1,506.23	7,207.61	4,603.76
10 Paid-up equity share capital (Face Value Rs. 1 per share)	49.50	49.50	49.50	49.50	49.50
11 Reserves (excluding Revaluation Reserve)				16,626.91	11,498.30
12 Earnings per equity share (EPS) (Face Value Rs. 1 each) - Basic and Diluted (Rs.)	36.56*	31.68*	30.66*	146.12	93.36

* Not annualised

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

(Rs. in crores unless otherwise stated)

Particulars	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	765.51	818.27
Right of Use Assets	175.97	138.00
Capital work-in-progress	45.94	69.55
Other intangible assets	20.49	48.47
Intangible assets under development	34.00	52.50
Investment in subsidiaries and associates	1,221.67	1,161.67
Financial assets		
- Investments	4,135.32	2,590.39
- Other financial assets		
Non-current bank balances	362.43	94.99
Others	19.21	9.59
Income tax assets (net)	355.25	339.75
Other non-current assets	750.42	1,124.15
Total non-current assets	7,886.21	6,447.33
Current assets		
Financial assets		
- Investments	6,054.39	6,745.65
- Trade receivables	1,499.58	1,336.17
- Cash and cash equivalents	653.77	102.57
- Bank balances other than cash and cash equivalents	4,039.28	1,750.23
- Other financial assets	45.82	165.68
Other current assets	640.14	174.05
Total current assets	12,932.98	10,274.35
TOTAL ASSETS	20,819.19	16,721.68
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	49.50	49.50
Other equity	16,626.91	11,498.30
TOTAL EQUITY	16,676.41	11,547.80
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	101.93	74.02
Other financial liabilities	16.35	15.49
Provisions	30.82	32.82
Deferred tax liabilities (net)	8.92	12.89
Contract Liabilities	69.34	58.11
Other non-current liabilities	5.41	5.41
Total non-current liabilities	232.77	198.74
Current liabilities		
Financial liabilities		
Lease liabilities	22.93	8.70
Deposits	1,083.44	1,086.18
Trade payables		
Total Outstanding dues of micro enterprises and small enterprises	1.30	2.21
Total Outstanding dues of creditors other than micro enterprises and small enterprises	293.54	214.20
Other financial liabilities	436.42	542.47
	1,837.63	1,853.76
Contract Liabilities	3.86	2.69
Provisions	70.25	88.45
Income tax liabilities (net)	430.13	228.60
Other current liabilities	1,568.14	2,801.64
Total current liabilities	3,910.01	4,975.14
TOTAL LIABILITIES	4,142.78	5,173.88
TOTAL EQUITY AND LIABILITIES	20,819.19	16,721.68

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

STANDALONE STATEMENT OF 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	9,452.43	6,103.82
Adjustments for		
Depreciation and amortisation expense	302.21	259.72
Interest on lease liabilities	7.85	6.66
(Reversal)/ Provision for doubtful debts	(2.20)	(2.13)
Bad debts written off	2.18	0.65
Intangible assets written off	60.81	-
Interest income from financial assets at amortised cost	(227.58)	(122.12)
Interest income from financial assets designated at fair value through other comprehensive income	(114.86)	(55.65)
Income on Investments	(58.93)	(46.64)
Dividend income	(838.47)	(225.72)
Rent income	(1.35)	(2.96)
Net fair value (gain) / loss on financial assets mandatorily measured at fair value through profit or loss	(216.91)	(139.51)
Net gain on sale of investments mandatorily measured at fair value through profit or loss	(90.29)	(53.78)
Net profit on sale of property, plant and equipment	-	(0.21)
Contribution to Core Settlement Guarantee Fund	199.45	-
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(162.74)	(499.88)
Increase/(Decrease) in trade payables	78.42	30.77
(Increase)/Decrease in other financial assets	7.39	(30.09)
(Increase)/Decrease in other assets	(82.62)	(439.72)
Increase/(Decrease) in other financial liabilities	(44.14)	296.69
Increase/(Decrease) in contract liabilities	12.39	38.50
Increase/(Decrease) in provisions	(19.09)	38.42
(Refund) /Proceeds of deposits from trading members / applicants	(2.74)	38.66
Increase/(Decrease) in other liabilities	(1,432.95)	586.85
CASH GENERATED FROM OPERATIONS	6,828.26	5,782.33
Income taxes paid	(2,027.97)	(1,346.91)
NET CASH INFLOWS FROM OPERATING ACTIVITIES - TOTAL (A)	4,800.29	4,435.42
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment & intangibles	(299.10)	(439.91)
Proceeds from rent income	1.35	2.96
Proceeds from property, plant and equipment	0.05	0.82
Payment for investment in a subsidiary and associate	(60.00)	(105.00)
Proceeds from sale of investments	31,777.80	26,758.85
Payment for purchase of investments	(32,382.24)	(29,659.04)
Proceeds from fixed deposits and certificate of deposits with banks	5,331.13	981.89
Proceeds from fixed deposits with financial institutions	120.88	298.10
Payment for investment in fixed deposits and certificate of deposits with banks	(7,747.13)	(1,326.79)
Payment for investment in deposits with financial institutions	-	(115.00)
Interest received	264.11	241.15
Dividend received	838.47	225.72
NET CASH (OUTFLOWS) FROM INVESTING ACTIVITIES - TOTAL (B)	(2,154.68)	(3,136.25)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,078.35)	(1,224.97)
Payment of lease liability	(8.21)	(4.39)
Interest on lease liabilities	(7.85)	(6.66)
NET CASH OUTFLOWS FROM FINANCING ACTIVITIES - TOTAL (C)	(2,094.41)	(1,236.02)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	551.20	63.15
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	102.57	39.42
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	653.77	102.57
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	551.20	63.15
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents comprise of the following		
Balances with banks		
In current accounts	120.23	102.56
Certificate of Deposits	493.55	-
Government Securities	39.98	-
Cash in hand	0.01	0.01
Balances as per statement of cash flows	653.77	102.57

Notes :

- 1 The above Standalone 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 have recommended a dividend of 8000% (Rs. 80 per equity share of Re. 1 each) for the year ended March 31, 2023.
(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 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial results has disclosed the segment information as to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".
- 4 Securities and Exchange Board of India (SEBI) had directed National Stock Exchange of India Limited (NSE) to carry out an investigation including forensic examination by independent external agencies in respect of certain aspects of NSE's Colocation facility. Accordingly, investigations were carried out and the reports were submitted to SEBI. Further, SEBI in September 2016, directed that pending completion of the investigations, all revenues emanating from the colocation facility with effect from September 2016, be transferred to a separate bank account. In terms of the said directions, NSE continued to transfer the amount till May 2021, when SAT allowed the release of the amounts from such separate bank account (as further explained below).

Three separate show cause notices (SCN) on May 22, 2017, and July 03, 2018, were issued by SEBI to the Company and to some of its employees, including former employees, in respect of the alleged preferential access to tick-by-tick data in Company's Colocation facility, Dark 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 the Company from accessing securities market, through issuance of equity, debt or other securities for a period of six months from the date of the order; in the second order it passed a direction to deposit a sum of 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 the Company'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.

The Company having received the orders passed by SEBI sought legal advice thereon and preferred an appeal with SAT. SAT vide its interim order has stayed the disgorgement of the amount, however it directed the Company to transfer the amount of 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 the Company on June 13, 2019. Further, the Company 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.

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

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

- 5 The Company was in receipt of Show Cause Notice issued by SEBI on October 9, 2019, and a Supplementary notice on December 16, 2019, alleging violation in relation to certain alleged irregularities in the appointment of Chief Strategic Advisor and his re-designation as 'Group Operating Officer and Advisor to MD' by the former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the Company with an alleged third party by former Managing Director & Chief Executive Officer. The Company filed a Settlement Application with SEBI on December 11, 2019, which was returned to NSE on October 27, 2020. During the year ended March 31, 2022, SEBI vide order dated February 11, 2022, levied penalty of Rs. 2 Crore which has been paid by the Company. In this direction, certain investigating agencies have been making inquiries and seeking various information, data etc. from the Company, which is being provided.
- 6 On February 24, 2021, the Company's trading system was halted due to certain issues in the links with telecom service providers which in turn impacted the Storage Area Network (SAN) system of the Company, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. The Company had submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021, directed NSE to pay financial disincentive of Rs. 25 lakhs and the same was paid by the Company on July 12, 2021. Further, in this regard, SEBI had issued a show cause notice on August 11, 2021, to the Company and some of its employees alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019, and Regulation 12(6) read with Regulation 7(3)(a) and 7(3)(c) of SECC Regulation 2018 for which detail response was filed by the Company. In this regard, the Company has taken necessary remedial actions and has filed consent application with SEBI on August 31, 2021 and September 3, 2021, respectively, against which, during the year, preliminary hearing on maintainability of the said consent application had taken place and the Company has filed revised consent terms on March 19, 2023. The revised consent application is under review with relevant authority at SEBI. The Company 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.
- 7 During the year ended March 31, 2023, the Company received a show cause notice vide letter dated February 28, 2023, from SEBI on the Trading Access Point (TAP) matter. The Company 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 the Company during the financial year ended March 31, 2022. In the application, the Company 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. The Company'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.
- 8 The Board of Directors of the Company 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 the Company for the financial year ended March 31, 2023. Accordingly, the Company 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, the Company 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.
- 9 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