

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 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 associates for the year ended March 31, 2022 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 audited financial statements /financial results of the subsidiaries and associates, 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

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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)

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18	India International Bullion Holding IFSC Limited	Associate Company
19	Power Exchange India Limited	Associate Company
20	Protean eGov Technologies Limited (Formerly known as NSDL e-Governance Infrastructure 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 associates for the year ended March 31, 2022 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

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 Consolidated Financial Results' section of our report. We are independent of the Group and its associates 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

4. We draw your attention to Note 4 to the consolidated financial resultst, 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 crores (excluding interest thereon at 12% p.a. from April 1, 2014 till the actual date of payment for one order and from September 11, 2015 till the actual date of payment for second order) has been raised against the Holding Company pursuant to an investigation conducted in relation to preferential access to tick by tick data at the Holding Company's Colocation facility, Dark Fiber point to point connectivity and Governance and related matters. SEBI further directed the Holding Company to undertake certain remedial measures, actions and imposed restrictions. The Holding Company has also received Adjudication notices covering identical matters, facts, circumstances and grounds as stated in each of the above orders. Adjudication hearing before SEBI is pending related to the Dark Fiber point to point connectivity and Governance and related matters. Adjudication hearing on preferential access to tick by tick data at the Holding Company's Colocation facility has been completed and SEBI has levied penalty of Rs 1 crore. The Holding Company has deposited Rs 1,107.47 crores with SEBI in respect of these orders. The Holding Company has filed appeals to contest the aforesaid orders with the Hon'ble Securities Appellate

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Tribunal, the future outcome of which is uncertain at this stage. Based on the legal opinion obtained by the Holding Company, no provision for any liability has been made towards the aforesaid demand from the orders, including any monetary penalty from the pending as well as concluded Adjudication proceedings in the consolidated financial results. Our opinion is not modified in respect of these matters.

Board of Directors' Responsibilities for the Consolidated Financial Results

5. 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 associates 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 associates 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 associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.
6. In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and its associates 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 associates or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

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

8. 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.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- 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 16 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 associates 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 or conditions may cause the Group and its associates 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 associates 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.
10. 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.
11. 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

12. We did not audit the financial statements of two subsidiaries and consolidated financial statements of two subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 19,825.68 crores and net assets of Rs. 4,799.20 crores as at March 31, 2022, total revenues of Rs. 2007.09 crores and Rs. 620.37 crores, total net profit after tax of Rs. 759.19 crores and Rs. 192.53 crores, and total comprehensive income of Rs. 762.38 crores and Rs. 195.55 crore for the year ended

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March 31, 2022 and for the quarter ended March 31, 2022, respectively, and net cash flows of Rs. 324.96 crores for the year ended March 31, 2022, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net loss after tax of Rs. 1.51 crores and Rs. 0.54 crore and total comprehensive income of Rs. (0.91) crore and Rs (0.14) crore for the year ended March 31, 2022 and for the quarter ended March 31, 2022, respectively, as considered in the consolidated financial results, in respect of one associate, 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, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 11 above.

13. The consolidated financial results also includes the Group's share of net profit after tax of Rs. 91.22 crores and Rs. 31.99 crores and total comprehensive income of Rs. 91.28 crores and Rs. 31.52 crores for the year ended March 31, 2022 and for the quarter ended March 31, 2022, respectively, as considered in the consolidated financial results, in respect of five associates, based on their financial statements/financial information which have not been audited by their auditors.
14. 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.
15. The consolidated financial results include the results for the quarter ended March 31, 2022 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.
16. The consolidated annual 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 financial statements of the Group and its associates for the year ended March 31, 2022 on which we have issued an unmodified audit opinion vide our report dated May 06, 2022.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E-300009



Sumit Seth

Partner

Membership Number 105869

UDIN: 22105869AIMUNP4288

Place: Mumbai

Date: May 06, 2022



NATIONAL STOCK EXCHANGE OF INDIA LIMITED

CIN : U67120MH1992PLC069769



STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in crores unless otherwise stated)

Sr. No. Particulars	Quarter ended			Year ended	
	31.03.2022 Unaudited	31.12.2021 Unaudited	31.03.2021 Unaudited	31.03.2022 Audited	31.03.2021 Audited
1 Income					
(a) Revenue from operations	2,845.06	2,367.15	1,851.92	8,929.48	5,624.82
(b) Other Income	161.20	122.47	112.51	570.16	577.51
Total Income	3,006.26	2,489.62	1,964.43	9,499.64	6,202.33
2 Expenses					
(a) Employee benefits expense	226.13	165.65	131.31	689.70	479.84
(b) Depreciation and amortisation expense	118.82	80.18	72.36	338.36	226.01
(c) Other expenses	581.85	470.92	344.21	1,740.52	1,004.30
Total expenses	926.80	716.75	547.88	2,768.58	1,710.15
3 Profit before Exceptional items, Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax (1-2)	2,079.46	1,772.87	1,416.55	6,731.06	4,492.18
4 Share of net profits of associates accounted for using equity method	32.43	22.69	20.24	90.28	65.90
5 Profit before Exceptional items, Contribution to Core SGF and Tax (3+4)	2,111.89	1,795.56	1,436.79	6,821.34	4,558.08
6 Exceptional items					
(a) Profit on sale of investment in Computer Age Management Services Limited	-	-	5.54	-	1,735.09
(b) Profit on sale of investment in Power Exchange of India Limited (Refer note 17)	1.62	-	-	1.62	-
(c) Contribution to Investor Protection Fund Trust (Refer note 5)	-	-	(874.10)	-	(1,822.05)
(d) Reversal of Provision / (Provision) for Impairment of Intangible assets under development (Refer note 11)	-	-	(68.23)	68.23	(68.23)
(e) Settlement compensation towards cancellation of contracts (Refer note 11 & 18)	-	-	-	21.10	-
7 Profit after Exceptional items before Contribution to Core SGF and Tax (5+6)	2,113.51	1,795.56	500.00	6,912.29	4,402.89
8 Reversal / (Contribution) to Core SGF	-	-	-	-	62.08
9 Profit before tax (7-8)	2,113.51	1,795.56	500.00	6,912.29	4,464.97
10 Less: Income Tax expense					
(a) Current tax expense	532.42	447.67	152.05	1,701.59	901.78
(b) Deferred tax expense / (benefit)	0.80	(1.10)	(34.08)	12.41	(10.23)
Total tax expenses	533.22	446.57	117.97	1,714.00	891.55
11 Profit for the period / year (9-10)	1,580.29	1,348.99	382.03	5,198.29	3,573.42
12 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	(9.80)	(6.78)	(11.83)	(12.61)	5.55
Changes in foreign currency translation reserve	2.19	0.10	1.10	3.46	(2.28)
(b) <i>Items that will not be reclassified to profit or loss (net of tax)</i>					
Remeasurements of post-employment benefit obligations	1.12	0.67	1.44	(2.07)	(0.24)
Changes in fair value of FVOCI equity instruments	(2.58)	0.95	3.55	(3.86)	4.43
Share of other comprehensive income of associates accounted for using the equity method	0.71	(0.19)	(0.53)	0.56	(1.00)
Total other comprehensive income for the period / year, net of taxes	(8.36)	(5.25)	(6.27)	(14.52)	6.46
13 Total comprehensive income for the period / year (11+12)	1,571.93	1,343.74	375.76	5,183.77	3,579.88
14 Profit attributable to :					
Owners of National Stock Exchange of India Limited	1,577.54	1,348.69	381.97	5,194.97	3,573.72
Non-Controlling Interests	2.75	0.30	0.06	3.32	(0.30)
15 Other comprehensive income/(loss) attributable to :					
Owners of National Stock Exchange of India Limited	(8.38)	(5.23)	(6.29)	(14.49)	6.44
Non-Controlling Interests	0.02	(0.02)	0.02	(0.03)	0.02
16 Total comprehensive income attributable to :					
Owners of National Stock Exchange of India Limited	1,569.16	1,343.46	375.68	5,180.48	3,580.18
Non-Controlling Interests	2.77	0.28	0.08	3.29	(0.28)
17 Paid-up equity share capital (Face value Re. 1 per share)	49.50	49.50	49.50	49.50	49.50
18 Reserves (excluding Revaluation Reserve)				15,360.93	11,586.43
19 Earnings per equity share (EPS) (FV Re. 1 each) - Basic and Diluted (Rs.)	31.87*	27.25*	7.72*	104.95	72.20

* 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, Data Feed, Index Licensing and Strategic Investment as reporting segments based on the information reviewed by CODM.

- 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, clearing & book building fees, revenue from data centre charges etc.
- 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.
- Data Feed Services** : This part of business/offers services related to dissemination of price, volume, order book and trade data relating to securities and various indices to the stock and commodity brokers.
- Index Licensing Fees** : This part of the business primarily provides indices and related products and services to various participants in capital market in India.
- 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.
- Other segments includes End to End Solution, E-learning Solutions, Web Trading, IT services, IT Process Support charges, Software Application development, and IT security services. The results of these operations are included in the "Other Segments".

The above business segments have been identified considering :

- 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, 2022			For the quarter ended 31st December, 2021				For the quarter ended 31st March, 2021				For the year ended 31st March, 2022			For the year ended 31st March, 2021					
	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	2,501.33	13.48	2,487.85	1,924.85	2,026.13	14.12	2,012.01	1,607.52	1,621.37	12.05	1,609.31	1,301.98	7,762.80	54.08	7,708.72	6,056.77	4,848.29	51.90	4,796.39	3,771.04
Clearing Services	198.32	143.20	55.12	22.39	184.95	99.80	85.15	41.09	150.29	87.75	62.54	91.72	676.75	414.34	262.41	109.77	501.73	265.27	236.46	116.88
Data feed Services	50.53	0.76	49.77	33.87	52.06	0.85	51.21	26.04	42.77	0.63	42.13	28.88	198.90	2.93	195.97	138.22	134.83	1.50	133.33	112.93
Index Licensing Services	67.85	34.32	33.53	30.06	52.09	23.43	28.66	26.23	43.22	16.92	26.31	23.95	206.25	90.25	116.00	104.78	150.99	45.86	105.14	96.50
Strategic Investments	-	-	-	(0.69)	9.02	9.02	-	(0.64)	35.06	35.06	-	(0.59)	140.37	140.37	-	(2.71)	147.78	147.78	-	(2.16)
Other Segments	282.89	64.10	218.79	(92.08)	240.73	50.61	190.12	(49.71)	163.84	52.21	111.63	(73.56)	847.33	200.95	646.38	(245.41)	477.44	123.93	353.50	(179.97)
Total	3,100.92	255.86	2,845.06	1,918.40	2,564.98	197.83	2,367.15	1,650.53	2,056.55	204.62	1,851.92	1,372.38	9,832.40	902.92	8,929.48	6,161.42	6,261.06	636.24	5,624.82	3,915.22
Unallocable income (Net of Expenses)				96.76				65.23				(7.55)				345.95				427.46
Interest income				64.30				57.11				51.72				223.69				149.50
Profit before Exceptional Items, Core settlement guarantee fund (Core SGF), Share of net profits of associates accounted for using equity method and Tax				2,079.46				1,772.87				1,416.55				6,731.06				4,492.18
Share of net profits of associates accounted for using equity method				32.43				22.69				20.24				90.28				65.90
Profit before Exceptional Items, Contribution to Core SGF and Tax				2,111.89				1,795.56				1,436.79				6,821.34				4,558.08
Exceptional Items																				
Add: Profit on sale of investment in Computer Age Management Services Limited				-				-				5.54				-				1,735.09
Add: Profit on sale of investment in Power Exchange of India Limited				1.62				-				-				1.62				-
Less: Contribution to Investor Protection Fund Trust				-				-				(874.10)				-				(1,822.05)
Add: Reversal of Provision / (Provision) for Impairment of Intangible assets under development				-				-				(68.23)				68.23				(68.23)
Add: Settlement compensation towards cancellation of contracts				-				-				-				21.10				-
Profit after Exceptional Items before Contribution to Core SGF and Tax				2,113.51				1,795.56				500.00				6,912.29				4,402.89
Add/Less : Reversal / (Contribution) to Core SGF				-				-				-				-				62.08
Profit before Tax				2,113.51				1,795.56				500.00				6,912.29				4,464.97
Less: Tax expense																				
Current Tax				(532.42)				(447.67)				(152.05)				(1,701.59)				(901.78)
Deferred tax expense / (benefit)				(8.00)				1.10				34.08				(12.41)				10.23
Total tax expenses				(533.22)				(446.57)				(117.97)				(1,714.00)				(891.55)
Profit for the period / year				1,580.29				1,348.99				382.03				5,198.29				3,573.42

(c) Revenue From External Customers based on geographies

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

	31.03.2022	31.03.2021
India	8,725.36	5,367.64
Outside India	204.12	257.18
Total Revenue	8,929.48	5,624.82

(d) Segment Assets :

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

	(Rs. Crs)	
Segments	31.03.2022	31.03.2021
Trading Services	4,195.84	3,011.11
Clearing Services *	15,015.77	13,121.20
Datafeed Services	32.04	25.24
Index Licensing Services	14.49	12.41
Strategic Investments	721.89	689.89
Other Segments	543.85	385.49
Total Segment Assets	20,523.88	17,245.34
Unallocable Assets	15,083.12	11,960.30
Total Assets	35,607.00	29,205.64

There are no non current assets situated outside India.

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

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

	(Rs. Crs)	
Particulars	31.03.2022	31.03.2021
Contribution to Core SGF	3,971.25	3,528.30
Contribution to SGF - Commodity Derivatives	250.00	250.00
Contribution to Core SGF - NSE IFSC CC	10.77	10.28

(e) Segment Liabilities

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

	(Rs. Crs)	
Segments	31.03.2022	31.03.2021
Trading Services	4,514.56	3,476.76
Clearing Services	14,109.19	13,072.71
Datafeed Services	23.37	19.84
Index Licensing Services	2.21	2.28
Strategic Investments	1.19	1.14
Other Segments	479.71	146.25
Total Segment Liabilities	19,130.24	16,718.98
Unallocable Liabilities	1,058.37	850.60
Core Settlement Guarantee Fund	(4,255.12)	(3,792.82)
Total Liabilities	15,933.49	13,776.76

(f) Segment Capital Expenditure

	(Rs. Crs)	
Segments	31.03.2022	31.03.2021
Trading Services	521.54	329.39
Clearing Services	100.89	34.10
Datafeed Services	6.00	3.95
Index Licensing Services	-	0.32
Strategic Investments	-	-
Other Segments	79.80	43.22
Total Segment Capital Expenditure	708.23	410.98
Add: Unallocable Capital Expenditure	-	-
Total Capital Expenditure	708.23	410.98

(g) Segment Depreciation / Amortisation

	(Rs. Crs)	
Segments	31.03.2022	31.03.2021
Trading Services	259.25	165.63
Clearing Services	23.42	13.40
Datafeed Services	3.91	1.47
Index Licensing Services	1.23	1.29
Strategic Investments	-	-
Other Segments	50.06	43.70
Total Segment Depreciation / Amortisation	337.88	225.49
Add: Unallocable Depreciation / Amortisation	0.47	0.52
Total Depreciation / Amortisation	338.36	226.01

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

(Rs. in crores)

Particulars	As at 31.03.2022 Audited	As at 31.03.2021 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	964.84	704.96
Right of use assets	165.82	127.08
Capital work-in-progress	90.54	10.69
Goodwill	410.89	395.93
Other intangible assets	88.80	80.17
Intangible assets under development	67.16	36.06
Investment in associates accounted for using the equity method	563.71	466.66
Financial assets		
- Investments	4,915.59	4,142.06
- Other financial assets		
Non-current bank balances	289.35	1,549.92
Others	13.59	26.84
Income tax assets (net)	498.20	514.36
Deferred tax assets (net)	20.42	5.50
Other non-current assets	1,129.46	720.38
Total non-current assets	9,218.37	8,780.61
Current assets		
Financial assets		
- Investments	7,941.67	5,220.42
- Trade receivables	1,614.95	998.58
- Cash and cash equivalents	9,557.18	9,169.07
- Bank balances other than cash and cash equivalents*	6,765.56	4,288.48
* Includes Rs. 8,563.11 crores (Previous Year : Rs.8,296.97 crores) pertaining to settlement obligation and margin money from members		
- Other financial assets	278.59	563.38
Other current assets	230.68	185.10
Total current assets	26,388.63	20,425.03
TOTAL ASSETS	35,607.00	29,205.64
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	49.50	49.50
Other equity	15,360.93	11,586.43
Equity attributable to owners of National Stock Exchange of India Limited	15,410.43	11,635.93
Non controlling interest	7.85	0.02
TOTAL EQUITY	15,418.28	11,635.95
CORE SETTLEMENT GUARANTEE FUND		
- Core settlement guarantee fund paid	3,982.02	3,538.58
- Core settlement guarantee fund payable	23.10	4.24
- Settlement guarantee fund paid - commodity derivatives	250.00	250.00
	4,255.12	3,792.82
INVESTOR PROTECTION FUND	0.11	0.11
LIABILITIES		
Non-current liabilities		
Financial liabilities		
- Lease liabilities	97.09	54.03
- Other financial liabilities	118.40	12.96
Provisions	52.70	30.92
Deferred tax liabilities (net)	137.90	118.27
Contract liabilities	58.11	21.23
Other non-current liabilities	5.41	5.41
Total non-current liabilities	469.61	242.82
Current liabilities		
Financial liabilities		
- Lease liabilities	17.59	16.80
- Deposits	2,323.63	1,980.38
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises	7.99	1.78
Total outstanding dues of creditors other than micro enterprises and small enterprises	341.22	238.72
- Other financial liabilities*	9,247.15	8,517.75
* Includes Rs. 8,563.11 crores (Previous Year : Rs.8,296.97 crores) pertaining to settlement obligation and margin money from members		
	11,937.58	10,755.43
Provisions	128.08	89.12
Contract liabilities	2.69	1.08
Income tax liabilities (net)	302.18	239.30
Other current liabilities	3,093.35	2,449.01
Total current liabilities	15,463.88	13,533.94
TOTAL LIABILITIES	15,933.49	13,776.76
TOTAL EQUITY AND LIABILITIES	35,607.00	29,205.64

NATIONAL STOCK EXCHANGE OF INDIA LIMITED		
STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022		
	(Rs.in Crores)	
	For the year ended 31.03.2022	For the year ended 31.03.2021
	(Audited)	(Audited)
A) CASH FLOWS FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	6,912.29	4,464.97
Adjustments for		
Depreciation and amortisation expense	338.36	226.01
Interest income from financial assets at amortised cost	(168.04)	(113.38)
Income from investments	(256.07)	(276.56)
Interest income from investments designated at FVOCI	(55.65)	(36.12)
Rental income	(3.05)	(6.14)
Dividend income from equity investments designated at FVOCI	(0.59)	(0.69)
Net gain on financial assets mandatorily measured at FVPL	(252.82)	(210.90)
Net gain on sale of financial assets measured at FVOCI	-	(5.45)
Net gain on sale of investments measured at amortised cost	-	(9.73)
Net gain on sale of financial assets mandatorily measured at FVPL	(66.94)	(175.46)
Profit on sale of investment in Computer Age Management Services Limited	-	(1,735.09)
Profit on sale of investment in Power Exchange of India Limited	(1.62)	-
Net (gain) / loss on disposal of property, plant and equipment	(0.25)	-
Doubtful debts written off	8.29	8.40
Provision for doubtful debts	21.92	3.10
Reversal/ (Provision) for Impairment of Intangible assets under development	(68.23)	68.23
Settlement compensation towards cancellation of contracts	(21.10)	-
Loss on sale of discarded assets	0.18	-
Share of net profit of associates accounted for using equity method	(90.28)	(65.90)
Interest on lease liabilities	8.90	6.62
Others	-	(2.27)
Change In operating assets and liabilities		
(Increase)/Decrease in trade receivables	(646.58)	(357.98)
Increase/(Decrease) in trade payables	108.71	74.04
(Increase)/Decrease in other financial assets	37.81	(7.88)
(Increase)/Decrease in other assets	(454.37)	4.78
Increase/(Decrease) in other financial liabilities	559.27	(448.67)
Increase/(Decrease) in provisions	58.11	(2.39)
Increase/(Decrease) in other liabilities	680.44	1,923.22
(Refund) / Proceeds of deposits	343.25	96.37
Change in core settlement guarantee fund	462.30	345.18
CASH GENERATED FROM OPERATIONS	7,454.24	3,766.31
Income taxes paid	(1,622.55)	(862.05)
NET CASH INFLOW FROM OPERATING ACTIVITIES - TOTAL (A)	5,831.69	2,904.26
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangibles assets	(599.64)	(377.62)
Proceeds from property, plant and equipment and intangibles assets	90.87	0.42
Proceeds from rental income	3.05	6.14
(Payment) / proceeds from investments (Net)	(3,194.83)	(2,630.82)
Proceeds from sale of investment in Computer Age Management Services Limited	-	2,175.08
Proceeds from sale of investment in Power Exchange of India Limited	1.62	-
(Payment) / proceeds from investments in deposits with financial institutions (Net)	193.57	2.06
Payment for acquisition of subsidiary (net of cash acquired)	(13.52)	(257.03)
Payment for investment in associates	(20.00)	(23.00)
(Payment) / proceeds from fixed deposits / Bank balances other than cash & cash equivalents (Net)	(1,216.51)	(1,810.18)
Interest received	555.71	463.30
Dividend received (including dividend from associate companies)	14.41	49.32
NET CASH OUTFLOW FROM INVESTING ACTIVITIES - TOTAL (B)	(4,185.27)	(2,402.33)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,224.97)	(544.50)
Acquisition of non controlling interest in subsidiary	(4.09)	(5.70)
Payment of lease liabilities	(20.35)	(13.94)
Interest on lease liabilities	(8.90)	(6.62)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES - TOTAL (C)	(1,258.31)	(570.76)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	388.11	(68.83)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,169.07	9,237.90
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9,557.18	9,169.07
* Includes amount received from members towards settlement obligation and margin money.		
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	388.11	(68.83)
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balances with banks :-		
Deposits with original maturity of less than three months	7.70	40.64
In current accounts	9,549.47	9,128.40
Cash on hand	0.01	0.03
Balances per statement of cash flows	9,557.18	9,169.07

Notes :-

- The above Consolidated Financial Results have been reviewed by the Audit Committee in its meeting held on May 5, 2022 and approved by the Board of Directors in its meeting held on May 6, 2022. The financial results for the year ended March 31, 2022 were subject to an audit by the Statutory Auditors and the figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto third quarter of the respective financial year.
- The Company had paid final dividend of Rs.1,225.13 crores after seeking approval from the shareholders of the company in the Annual General Meeting held on August 25, 2021.
- The Board of Directors have recommended a dividend of 4200% (Rs.42 per equity share of Re.1 each)
- 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 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 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 crores along with interest at the rate of 12% p.a. from September 11, 2015 till the actual date of payment along with certain non-monetary and restrictive directions and in the third order it has passed certain non-monetary and remedial directions on NSE. Additionally, NSE also received Adjudication notices covering the above three orders for which NSE has filed its replies with SEBI. Hearing before SEBI in respect of all three Adjudication matters have been completed. With respect to Adjudication notice pertaining to preferential access to tick by tick data at NSE's Colocation facility, SEBI on February 10, 2021 passed an order and levied a monetary penalty of Rs.1 crore. Order of SEBI in relation to Adjudication of Dark Fiber point to point connectivity and Governance and conflict of interest matters is awaited.

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 crores in the Colocation matter and Rs.62.58 crores in the Dark Fibre matter totalling to Rs.687.47 crores to SEBI which has been remitted by NSE on June 13, 2019. Further, NSE 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 NSE also stayed the penalty levied by SEBI in relation to Adjudication order passed by it on preferential access to tick by tick data at NSE's Colocation facility.

While 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 crores into an interest-bearing account with SEBI which has been remitted by the Company on June 17, 2021. Accordingly, as at March 31, 2022, a total amount of Rs.1,107.47 crores has been deposited by NSE with SEBI. SAT directed the parties for a refresher hearing which has been concluded and the final order is now reserved by SAT.

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, 2022.

- NSE has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of a registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI comprehensively reviewed the existing framework in consultation with Stock Exchanges. Basis such review, SEBI decided to augment IPF corpus and assessed required IPF corpus to be Rs.1,500 crores. NSE was directed to transfer the requisite amount to bring the Corpus to Rs.1,500 crores. Accordingly, NSE had paid Rs.1,701 crores to NSE Investor Protection Fund Trust (NSE IPFT) during the year ended March 31, 2021. Additionally, NSE had also provided Rs.121.05 crores in relation to the investors' claims related to defaulted members, which was paid in current year. This provision is estimated by applying past historical experience of claims admitted and paid to the outstanding claims through the date of approval of the financial statements including the maximum amount that can be paid to each investor in accordance with trust deed of NSE IPFT. Accordingly, an amount of Rs.1,822.05 crores was recognised as an exceptional expense in the statement of profit and loss for the year ended March 31, 2021 considering the materiality of the amount, nature and incidence of these transactions. NSE has assessed the adequacy of the IPF corpus as at March 31, 2022 and has made payments of Rs.118.20 crores and provision of Rs.32.25 crores in relation to the investor claims pertaining to defaulted members received and yet to be processed by NSE IPFT as at year-end. Accordingly, aggregate expense of Rs.150.45 crores has been included as part of Other expenses in the statement of profit and loss for the year ended March 31, 2022.
- 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 the Company, resulting in the primary SAN becoming inaccessible to the host servers. This also resulted in the risk management system of NSE Clearing Limited (NCL) and other systems such as clearing and settlement, index and surveillance systems becoming unavailable. NSE and NCL have submitted a root cause analysis of the incident to SEBI. SEBI vide its letter dated July 2, 2021 directed NSE & NCL to pay financial disincentive of Rs.25 lakhs each. The said amount was paid by the NSE on July 12, 2021 and NCL on July 14, 2021. Further, in this regard, SEBI has issued a show cause notice on August 11, 2021 to NSE, NCL and some of its employees alleging non-compliance with certain paragraphs of SEBI circular dated October 8, 2015, September 13, 2017, March 26, 2019 and Regulation 12(6) read with Regulation 7(3)(a), 7(3)(c) and 7(4)(g) of SECC Regulation 2018 for which detail response is filed. In this regard, NSE and NCL have taken necessary remedial actions and both have filed consent applications with SEBI on August 31, 2021 and September 14, 2021, respectively. Preliminary hearing on maintainability of the said consent applications has taken place on May 4, 2022. NSE and NCL have been directed to file written submission against the same. NSE and NCL are of the view that pending conclusion of this matter with SEBI, a reliable estimate of any obligation in respect of this matter cannot be presently made and therefore no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2022.
- NSE was in receipt of Show Cause Notice issued by SEBI on October 9, 2019 and a Supplementary notice on December 16, 2019 alleging violation in relation to certain alleged irregularities in the appointment of Chief Strategic Advisor and his re-designation as 'Group Operating Officer and Advisor to MD' by the former Managing Director & Chief Executive Officer and the sharing of certain internal information pertaining to the NSE with an alleged third party by former Managing Director & Chief Executive Officer. NSE had filed a Settlement Application with SEBI on December 11, 2019, which was returned to NSE on October 27, 2020. During the year, SEBI vide order dated February 11, 2022 levied penalty of 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.
- SEBI issued an Adjudication Show Cause Notice on July 31, 2020 with respect to investments made by NSE and its subsidiary in certain entities alleging that the investments made by NSE were in activities that were unrelated and non-incident to its activities as a stock exchange. SEBI subsequently after detailed hearing in its order dated October 01, 2020 levied a penalty of Rs.6 Crore on NSE (Rs.1 Crore for each of the investments made by NSE and its subsidiaries). NSE had preferred an appeal against the SEBI order challenging the findings and the said penalty levied by SEBI. SAT had stayed the effect and operation of the order during the pendency of the appeal. During the current year ended March 31, 2022, SAT vide its order dated January 04, 2022 has quashed the Adjudicating Notice including the penalty levied by the Adjudication Order.
- NSE was in receipt of SEBI Adjudication SCN dated January 07, 2021 and supplementary SCN dated May 6, 2021 with respect to the default of Karvy Stock Broking Limited, erstwhile trading member registered with the Company. NSE had filed its detailed response with SEBI. NSE has filed a consent application in response to the said SCNs issued by SEBI which was returned to NSE on April 6, 2022. SEBI vide order dated April 12, 2022 passed the order levying penalty of Rs.2 crores. NSE is evaluating its course of action, pending which the said amount has been disclosed as contingent liability. Based on the legal view, NSE believes that it has strong ground to contest the said order and accordingly no provision / adjustment to this effect has been made in the financial statements as of and for the year ended March 31, 2022.
- (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, 2022 is Rs. 3,971.25 crores (previous year Rs.3,528.30 crores).

	CM	FO	CD	Debt	TRI Party	Commodity	Other	Total
NSE Clearing Ltd's contribution(NCL)	107.00	672.00	100.00	3.00	8.50	5.00	-	895.50
National Stock exchange of India Ltd's (NSE) Contribution	54.00	336.00	48.00	1.00	8.50	2.50	327.51	777.51
Contribution by NSE on behalf of Member	53.00	336.00	50.00	-	-	2.50	-	441.50
BSE Limited's Contribution	4.36	0.05	12.58	-	-	-	-	16.99
Metropolitan Stock Exchange of India's Contribution	0.00	-	1.12	-	-	-	-	1.12
Penalty	196.37	956.80	42.59	-	-	0.12	-	1,195.89
Income on Investments	58.91	544.41	21.34	0.99	4.09	1.87	10.14	641.75
Others	1.00	-	-	-	-	-	-	1.00
Total	474.64	2,845.27	275.63	4.99	21.09	11.99	337.65	3,971.25

• NCL's own contribution to Core SGF for the quarter ended March 31, 2022, December, 2021 and March 31, 2021 are Rs.NIL and for the year ended March 31, 2022 is Rs. NIL (For the year ended March 31, 2021 Rs. 28.20 Crores) have been appropriated out of profits.

(b) In case of the subsidiary company NSE IFSC Clearing Corporation (NICCL), as per regulation 14 (1) of International Financial Services Centres Authority (Market Infrastructure Institutions) Regulations, 2021 notified on 12 April 2021, total Core SGF as on March 31, 2022 of NICCL is Rs.10.76 crores (Previous year: Rs. 10.28 Crores) comprising of Rs.10.65 crores contributed by NICCL by appropriating reserves / profits, fines and penalties collected by NICCL amounting to Rs.0.05 crores and an amount of Rs 0.06 crores being Income from investments of Core SGF funds have been credited to Core SGF. Further, NICCL's contribution to its Core SGF for the quarter ended March 31, 2022, December 31, 2021 and March 31, 2021 amounted to NIL and for the year ended March 31, 2021 amounting to Rs. NIL (for year ended March 31, 2021 is Rs.1.00 crores).

(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.

- 11 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.
- 12 During the year ended March 31, 2022, NCL has given additional bank guarantee of Rs.2,000 crores (previous year Rs.1000 crores) in favour of ICCL towards Inter CCP collateral under interoperability framework as prescribed by SEBI. Total bank guarantee amount as on March 31, 2022 is Rs.3,000 crores (previous year Rs.1000 crores).
- 13 NCL encountered an incident on November 01, 2021, which resulted in delay in securities pay-out in the cash segment. Pursuant to SEBI circular SEBI/HO/MRD1/DTCS/CIR/P/2021/590 dated July 05, 2021 an amount of Rs.1 Crore has been transferred to the Core Settlement Guarantee Fund (Core SGF) of NCL towards financial disincentive on January 24, 2022 and the same is included in other expenses
- 14 During the 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. In this regard, NCL has filed necessary response with SEBI. Pending conclusion of this matter with SEBI, NCL is of the view that a reliable estimate of any obligations in respect of this matter cannot be presently made and therefore no provision /adjustment to this effect has been made in the financial results as of and for the quarter and year ended March 31, 2022.
- 15 In case of the subsidiary company NSE IFSC Limited (NSE IFSC) ,the company had observed a technology glitch in their trading systems on July 22, 2021. As per the SOP specified by the regulator, the information of technical glitch was informed to IFSC Authority. While NSE IFSC submitted preliminary report within twenty-four hours of the occurrence of the glitch as per the SOP specified by the regulator, the Root cause analysis (RCA) and action taken Report for the incident was submitted to IFSC Authority on August 6, 2021.The IFSC Authority reviewed the RCA and action taken report and issued a letter dated September 20, 2021 advising NSE IFSC to put in place necessary SOPs to avoid recurrence of such incident and further advised to provide a detailed status update report on subsequent fixes implemented in the system. NSE IFSC has implemented the fixes in the system and closed the action items as stated in the RCA and action taken report and has updated/ informed IFSC Authority regarding the same vide letter dated September 29, 2021.
- 16 During the previous year ended March 31, 2021, NSE and Singapore Stock Exchange (SGX) had entered into a collaboration agreement to cement the key terms for operationalising the NSE IFSC-SGX Connect which will bring together international and Gujarat International Finance Tec City (GIFT) participants to create a bigger liquidity pool for Nifty Products in Gift City and to develop the infrastructure for the NSE IFSC-SGX Connect and ensure member readiness prior to its implementation. Further, on March 28, 2022, NSE IFSC has entered into an operational agreement with SGX India Connect IFSC Private Limited, Singapore Exchange Derivatives Clearing Limited and NSE IFSC Clearing Corporation Limited to operationalise the NSE IFSC-SGX Connect post all necessary regulatory approvals.
- 17 The 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, during the current year ended March 31, 2022, 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 holds 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 is shown as an exceptional item in the statement of Profit and Loss.
- 18 The subsidiary company, namely NSEIT (US) Inc., had entered into a contract with NASDAQ Technology AB, Sweden (Nasdaq) for provision of software services vide contract dated December 09, 2020. During the year, ended March 31, 2022, this contract was terminated by Nasdaq and NSEIT (US) Inc received a sum of USD 753,280 (Rs. 5.47 crores) as compensation towards cancellation of the contract in accordance with the terms of the contract. This amount received has been disclosed as an "Exceptional Item" in the statement of Profit and Loss.
- 19 The subsidiary company, namely NSEIT Limited (NSEIT) has received a notice from one of its customers about its intention to terminate its contract and also levy a penalty of Rs. 6 crores along with recovery of expenses to be incurred for conduct of re-examination based on an alleged breach of the RFP conditions. NSEIT subsequently received a termination order vide order dated 16th December, 2021. NSEIT has preferred an appeal with District Court, Bhopal and High Court, Jabalpur which has currently granted an interim stay until further hearing. NSEIT is of the opinion that these notices and the termination order are premature and prejudicial in nature and no specific provision towards penalty is considered necessary. However, considering the above litigation, during the year ended March 31, 2022, NSEIT has made a provision of Rs.11 crores as provision for doubtful debts. Additionally, during the current financial year ended March 31, 2022, NSEIT has incurred Rs 12.39 crores with respect to execution of a contract, which was mutually terminated in March 2022 without realization of any revenue. Such amount has been charged as an expense in the statement of Profit and Loss.
- 20 NSEIT had entered into Share Purchase and Share Holders Agreement ("Agreement") with the Promoters and Shareholders of CXIO Technologies Private Limited ("CXIO") vide agreement dated June 28, 2021 to purchase 100% equity shares of CXIO in multiple tranches. In accordance with the terms of the agreement, NSEIT acquired a controlling stake of 60% of the total equity shares on July 8, 2021 for consideration of Rs.18 crores in the first tranche. Based on the purchase price allocation report, NSEIT has accounted for intangible assets of Rs.6.34 crores at fair value, over and above the carrying value of assets of CXIO. As per the agreement, NSEIT is entitled to purchase the balance 40% equity shares in subsequent tranches on variable consideration based on the financial performance of CXIO. The commitment to purchase the balance equity shares has been recognised as a liability. NSEIT Limited has estimated Rs.90.82 crores as liability for balance consideration and has accounted the same by debiting other equity by Rs.90.82 crores.
- 21 During the quarter ended December 31, 2021, TalentSprint Private Limited, a subsidiary company of NSE Academy Limited has incorporated a new subsidiary in USA namely 'TalentSprint Inc'.
- 22 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 6, 2022

Vikram Limaye
Managing Director & CEO
DIN : 00488534